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SUPERFUND RECORDS

ACQUISITION AGREEMENT

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By and Among

Arkla, Inc.,

Minnegasco Transmission Corp.

and

UtiliCorp United Inc.

Dated as of

November 30, 1992

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ACQUISITION AGREEMENT

This ACQUISITION AGREEMENT (this "Agreement") is made and entered into as of the 30th day of November, 1992, by and among Arkla, Inc., a Delaware corporation ("Seller"), Minnegasco Transmission Corporation, a Minnesota corporation and a wholly owned subsidiary of Seller ("Seller Subsidiary"), and UtiliCorp United Inc., a Delaware corporation ("Purchaser").

WITNESSETH:

WHEREAS, Seller, through its Minnegasco division ("Minnegasco"), presently owns and operates certain systems and related utility properties for the purchase and retail distribution of natural gas in the State of Nebraska (the "Nebraska System"); and

WHEREAS, Seller Subsidiary presently owns and operates certain pipeline systems for the transmission of natural gas in the State of Nebraska (the "Nebraska Pipeline"); and

WHEREAS, Seller and Seller Subsidiary desire to sell, transfer, grant, convey, assign and deliver ("Transfer"), and Purchaser desires to purchase, certain rights, properties and assets of Seller and Seller Subsidiary, on the terms and subject to the conditions set forth in this Agreement; and

WHEREAS, it is the intent of the parties hereto that Purchaser shall receive the benefit and bear the risk of operations of the Nebraska System and the Nebraska Pipeline effective from the close of business (11:59 p.m. Central Standard Time) on November 30, 1992 (the "Effective Time"), even though

the closing of the transactions contemplated hereby will occur at a later date;

NOW, THEREFORE, in consideration of the above premises, the mutual representations, warranties and covenants set forth herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

I. DEFINITIONS

1.1. Defined Terms. As used in this Agreement, unless otherwise specified, the following terms and the singular or plural thereof, shall have the following meanings when used in this Agreement with initial capital letters:

"Accord" shall mean the Legal Opinion Accord of the ABA Section of Business Law (1991).

"Accountants" shall mean Arthur Andersen & Co., or such other independent accounting firm chosen jointly by Purchaser and Seller.

"Accounts Receivable" shall have the meaning given thereto in Section 2.1(a)(iii).

"Acquired Assets" shall have the meaning given thereto in Section 2.1(a).

"Affiliate" shall have the meaning given thereto in Rule 12b-2 of Regulation 12B under the Securities Exchange Act of 1934, as amended.

"Agreement" shall have the meaning given thereto in the introductory paragraph of this Agreement.

"Assumed Liabilities" shall have the meaning given thereto in Section 3.2(a).

"Assumption Agreement" shall mean an assumption agreement reasonably satisfactory to Seller evidencing the assumption by Purchaser of the Assumed Liabilities.

"Audit" shall have the meaning given thereto in Section 3.1(b).

"Cash Closing Payment" shall mean an amount equal to (a) \$78,250,000 ("Closing Purchase Price") plus (b) interest on the Closing Purchase Price at the rate of 8.5% per annum on the basis of a 365-day year, calculated on the basis of the actual number of days elapsed during the period from the Effective Time through the Closing Date ("Interim Interest").

"Claim Notice" shall have the meaning given thereto in Section 8.3(a).

"Closing" shall mean the consummation of the Transfer of the Acquired Assets as contemplated by this Agreement.

"Closing Date" shall mean the last day of the month in which all of the conditions precedent specified in Sections 6.1, 6.2 and 6.3 shall have been satisfied or waived occurs; provided that if the Closing Date is not a business day, the Closing shall occur on the first business day thereafter.

"Closing Document" shall mean any document delivered at the Closing pursuant to this Agreement.

"Closing Purchase Price" shall have the meaning given thereto in the definition of Cash Closing Payment.

"Closing Schedules" shall have the meaning given thereto in Section 5.5.

"Code" shall mean the Internal Revenue Code of 1986, as amended.

"Confidentiality Agreement" shall mean the letter agreement, dated September 4, 1992, between Seller and Peoples Natural Gas Company, a division of Purchaser.

"Contracts" shall have the meaning given thereto in Section 2.1(a) (ix).

"Customer Deposits" shall mean all amounts deposited with Seller in respect of the Nebraska System or with Seller Subsidiary in respect of the Nebraska Pipeline by customers as security for the payment of bills, including, without limitation, budget plan and special deposits, customer advances for construction and interest on any such amounts deposited.

"Damages" shall mean any and all liabilities or obligations in respect of damages, losses, costs, expenses (including, without limitation, interest and attorneys' and accountants' fees and disbursements), claims, demands, assessments, taxes, penalties, judgments or liabilities of any nature whatsoever (whether based on statute, contract, tort, product liability, strict liability or otherwise).

"Effective Time" shall mean 11:59 p.m., Central Standard Time, on November 30, 1992.

"Employee" shall mean any person employed by Seller primarily in the operation of the Nebraska System or the Nebraska Pipeline and whose employment is continued by Purchaser immediately following the Closing Date, and includes, where an Employee Plan provides benefits for beneficiaries or dependents of any Employee, the beneficiaries and dependents of such Employee. Notwithstanding the foregoing, the term Employee shall specifically exclude any person (and such person's beneficiaries and dependents) who on the Closing Date either is receiving long-term disability benefits under a plan sponsored by Seller or is on a medical leave of absence and begins receiving such disability benefits following the expiration of the six-month elimination period.

"Employee Plan" shall mean each employee benefit plan as defined in Section 3(3) of ERISA and each other material plan, program, agreement or arrangement, whether or not subject to ERISA, that provides benefits for Employees or Former Employees and that is maintained by Seller or any Affiliate of Seller or to which Seller or any Affiliate of Seller contributes or is obligated to contribute, or under which Seller or any Affiliate of Seller is liable in respect of Employees or Former Employees.

"Environmental Laws" shall mean all Laws which purport to regulate the release of Hazardous Substances to the environment, or impose requirements relating to environmental protection or public or employee health and safety, including, without limitation, the Comprehensive Environmental Response, Compensation and Liability Act, as amended, 42 U.S.C. Section 9601 et seq., the Resource Conservation and Recovery Act of 1976, as amended, 42 U.S.C. Section 6901 et seq., the Emergency Planning and Community Right-to-Know Act, as amended, 42 U.S.C. Section 11001 et seq., the Clean Air Act, as amended, 42 U.S.C. Section 7401 et seq., the Federal Water Pollution Control Act, as amended, 33 U.S.C. Section 1251 et seq., the Toxic Substances Control Act, as amended, 15 U.S.C. Section 2601 et seq., the Safe Drinking Water Act, as amended, 42 U.S.C. Section 300f et seq., and the Occupational Safety and Health Act, as amended, 29 U.S.C. Section 651 et seq.

"Equitable Contract" shall mean the contract between the Seller and Equitable Life Assurance Society relating to certain purchased annuity arrangements.

"Equitable Guaranteed Benefits" shall have the meaning given thereto in Section 7.1(d).

"ERISA" shall mean the Employee Retirement Income Security Act of 1974, as amended.

"Excluded Assets" shall have the meaning given thereto in Section 2.1(b).

"FERC" shall mean the Federal Energy Regulatory Commission.

"Former Employee" shall mean any person other than an Employee who immediately prior to the termination of his last period of employment with Seller or any predecessor of Seller or Seller Subsidiary was employed primarily in the operation of the Nebraska System or the Nebraska Pipeline and includes, where an Employee Plan provides benefits for beneficiaries or dependents of any Former Employee, the beneficiaries and dependents of such Former Employee. Notwithstanding the foregoing, the term Former Employee shall specifically exclude any person (and such person's beneficiaries and dependents) who on the Closing Date either is receiving long-term disability benefits under a plan sponsored by Seller or is on a medical leave of absence and begins receiving such disability benefits following the expiration of the six-month elimination period.

"Franchise" shall mean the rights of Seller under ordinances of or agreements with the municipalities in Nebraska listed on Schedule 1.1.

"GAAP" shall mean generally accepted accounting principles, applied on a basis consistent with Seller's or Seller Subsidiary's, as applicable, past practices.

"GAAS" shall mean generally accepted auditing standards.

"Gas Services Agreement" shall have the meaning given thereto in Section 7.7(a).

"Governmental Entity" shall mean any federal, state, county, local or foreign court, government, governmental agency, authority, subdivision, entity or instrumentality.

"Group Health Plan" shall mean a group health plan within the meaning of Section 5000(b)(1) of the Code.

"Hazardous Substance" shall mean any "hazardous substance," "hazardous waste," "toxic substance" or "hazardous material" as those terms are defined under the Environmental Laws; provided, however, that such term shall not include any substance to the extent that it occurs naturally in the environment.

"HSR Act" shall mean the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended.

"Income Taxes" shall mean taxes, fees and other governmental charges imposed on or measured by the net income of Seller, Seller Subsidiary or Purchaser, as the case may be.

"Indemnified Party" shall have the meaning given thereto in Section 8.3.

"Indemnifying Party" shall have the meaning given thereto in Section 8.3.

"Insurance" shall mean any insurance maintained by or for the benefit of Seller or Seller Subsidiary in respect of the Nebraska System, the Nebraska Pipeline or the Acquired Assets.

"Interim Financials" shall have the meaning given thereto in Section 5.8.

"Interim Income" shall mean the net income or loss of the Nebraska Pipeline and the Nebraska System determined in accordance with GAAP (except to the extent that the items in subparagraphs (a) through (i) below require a departure from GAAP) as reflected on the books of Seller and Seller Subsidiary for the period from the Effective Time through the Closing Date, adjusted to the extent necessary as follows:

- (a) excluding all interest expense other than interest expense relating to budget plan deposits;

- (b) including income tax expense calculated with the assumption that Seller and Seller Subsidiary's effective tax rate is 34%;

- (c) excluding any gain or loss recognized solely as a result of the execution of this Agreement or the consummation of the transactions contemplated hereby;

- (d) excluding any expense paid or payable to third parties by Seller, Seller Subsidiary or both, solely in connection with the negotiation, preparation and execution of this Agreement and the consummation of the transactions contemplated hereby;

- (e) excluding any expense incurred (i) which results in a violation of the provisions of this Agreement by Seller, Seller Subsidiary or both or (ii)

which results from a material violation of a material Law or the willful misconduct or gross negligence of Seller, Seller Subsidiary or both, unless in either case instructed or consented to by Purchaser or otherwise required pursuant to this Agreement;

(f) excluding any expense relating to the adoption of Financial Accounting Standards Board Statement of Financial Accounting Standards No. 106 and No. 109;

(g) including an amount of corporate allocation that is consistent with the manner of corporate allocations in prior periods;

(h) excluding any adjustment of any account made during the Interim Period but relating to periods prior to the Effective Time; and

(i) including an expense in an amount equal to 1/12 of the amount of Employee bonuses paid for the 1992 calendar year, but excluding any expenses paid or payable for Employee bonuses for the 1993 calendar year or thereafter.

"Interim Interest" shall have the meaning given thereto in the definition of Cash Closing Payment.

"Interim Period" shall mean the period from the Effective Time through the Closing Date.

"Inventory" shall have the meaning given thereto in Section 2.1(a)(vi).

"Law" shall mean any federal, state or local statute, law, ordinance, order, rule or regulation.

"Leased Real Property" shall mean the real property leased by Seller pursuant to the Real Property Leases.

"Liens" shall mean mortgages, liens or security interests.

"Manufactured Gas Plant" shall mean any facility that utilized coal, oil or coke to manufacture gas prior to the commercial use of natural gas.

"Material Adverse Effect" shall mean a material adverse effect on the business, operations or financial condition of the Nebraska System and the Nebraska Pipeline, taken as a whole.

"Minnegasco" shall have the meaning given thereto in the recitals of this Agreement.

"Multiemployer Plan" shall mean a multiemployer plan within the meaning of Section 3(37) of ERISA.

"Nebraska Pipeline" shall have the meaning given thereto in the recitals of this Agreement.

"Nebraska System" shall have the meaning given thereto in the recitals of this Agreement.

"Net Working Capital" shall mean an amount, whether positive or negative, calculated in accordance with GAAP as of the Closing Date which is equal to (a) the sum of the balances of Accounts Receivable (less an allowance for doubtful accounts determined in accordance with Seller's and

Seller Subsidiary's past practices), Inventory (less an allowance for obsolete inventory determined in accordance with Seller's and Seller Subsidiary's past practices), PGA Balances and Other Working Capital Assets less (b) the sum of the balances of Working Capital Liabilities.

"Notice Period" shall have the meaning given thereto in Section 8.3(a).

"Other Working Capital Assets" shall have the meaning given thereto in Section 2.1(a)(v).

"Owned Real Property" shall have the meaning given thereto in Section 2.1(a)(i).

"PGA Balances" shall have the meaning given thereto in Section 2.1(a)(iv).

"Permits" shall have the meaning given thereto in Section 2.1(a)(xi).

"Permitted Liens" shall mean (a) mechanics', carriers', workmen's, repairmen's or other like Liens arising or incurred in the ordinary course of business, (b) Liens for Taxes, Income Taxes, assessments and other governmental charges that (i) are not due and payable, (ii) may thereafter be paid without penalty or (iii) are being contested in good faith and (c) other imperfections of title or encumbrances, if any, that (i) do not materially affect the marketability of the property or assets subject thereto and (ii) do not materially impair the use of the property or

assets subject thereto in the operation of the Nebraska System or the Nebraska Pipeline as presently conducted.

"Pipeline Entitlements" shall have the meaning given thereto in Section 2.1(a)(x).

"Plant Audit" shall have the meaning given thereto in Section 3.1(c).

"Property, Plant and Equipment" shall mean the property, plant and equipment comprising the distribution system and transmission system of the Nebraska System and the Nebraska Pipeline as defined by the FERC's Accounting and Reporting Requirements for Natural Gas Companies and the related accumulated provisions for depreciation, depletion and amortization of gas utility plant (Accounts 101 through 119 inclusive).

"Purchaser" shall have the meaning given thereto in the introductory paragraph of this Agreement.

"Purchaser's Retirement Plan" shall mean a qualified defined benefit plan sponsored by Purchaser.

"Purchaser's Thrift Plan" shall mean a qualified defined contribution plan sponsored by Purchaser.

"Real Property Leases" shall have the meaning given thereto in Section 2.1(a)(viii).

"Real Property Licenses" shall have the meaning given thereto in Section 2.1(a)(vii).

"Records" shall mean original agreements, documents, books, records and files relating to the Nebraska System,

the Nebraska Pipeline or the Acquired Assets including, without limitation, all books of account, journals and ledgers, files, correspondence, memoranda, maps, plats, customer lists, supplier lists, Employee and Former Employee records, building and machinery diagrams, engineering plans, continuing property records, Customer Deposit lists, customer account histories, leak survey records and meter inventory and test records.

"Retained Liabilities" shall have the meaning given thereto in Section 3.2(b).

"Schedule of Property, Plant and Equipment" shall have the meaning given thereto in Section 5.7.

"Seller" shall have the meaning given thereto in the introductory paragraph of this Agreement.

"Seller Subsidiary" shall have the meaning given thereto in the introductory paragraph of this Agreement.

"Seller's Retirement Plan" shall mean the Diversified Energies, Inc. Employees Pension Plan.

"Seller's Savings Plan" shall mean the Diversified Energies, Inc. Employees Retirement Savings Plan.

"Settlement Amount" shall be determined as follows:

(a) the balance of the Net Working Capital as of the Closing Date;

(b) plus if positive, minus if negative, the difference between (i) the net book value of Property, Plant and Equipment determined in accordance with GAAP

as reflected on the books of Seller and Seller
Subsidiary as of the Closing Date and (ii) the net book
value of Property, Plant and Equipment as set forth on
the Schedule of Property, Plant and Equipment; and
(c) less Interim Income.

"Settlement Statement" shall have the meaning given
thereto in Section 3.1(b).

"Tangible Personal Property" shall have the meaning
given thereto in Section 2.1(a)(ii).

"Tax Return" shall mean any return, declaration, report,
claim for refund or information return or statement relating
to Taxes or Income Taxes (including any schedule, attachment
or amendment thereto).

"Taxes" shall mean all taxes (other than Income Taxes),
levies or other like assessments, charges or fees,
including, without limitation, gross receipts, franchise or
occupation, excise, employment or payroll, real or personal
property, sales, use or license taxes or other governmental
taxes imposed by or payable to any Governmental Entity and
any interest, penalties or additions attributable thereto.

"Threshold Amount" shall have the meaning given thereto
in Section 8.4.

"Transfer" shall have the meaning given thereto in the
recitals of this Agreement.

"Transfer Documents" shall mean such bills of sale,
assignments, deeds and other good and sufficient instruments

of transfer conveying and transferring to Purchaser title to the Owned Real Property, the Tangible Personal Property and such of the other Acquired Assets as Purchaser may reasonably request consistent with this Agreement; provided, however, that (a) any deed conveying title to the Owned Real Property to Purchaser shall be the same type of deed as Seller or Seller Subsidiary received when it acquired such Owned Real Property with standard covenants against grantor's acts and (b) no provisions of any Transfer Document will contain any representation, warranty or covenant that imposes any greater liability or obligation on Seller or Seller Subsidiary, or is otherwise broader or more expansive than, any representation or warranty set forth in this Agreement applicable to the subject of such Transfer Document.

"Transfer Taxes" shall mean all sales, use, transfer, stamp, conveyance, value added or other similar taxes, duties, excises or governmental charges imposed by any taxing jurisdiction, domestic or foreign and all recording or filing fees, notarial fees and other similar costs of Closing with respect to the Transfer of the Acquired Assets or otherwise on account of this Agreement or the transactions contemplated hereby.

"Transition Services Agreement" shall have the meaning given thereto in Section 7.8.

"Unaudited Income Statements" shall have the meaning given thereto in Section 4.1.5(b).

"Working Capital Liabilities" shall have the meaning given thereto in Section 3.2(a)(i).

1.2. Other Definitions. (a) As used in this Agreement, unless otherwise specified, (i) all references to Sections, Articles or Schedules are to Sections, Articles or Schedules of or to this Agreement, (ii) each accounting term has the meaning assigned to it in accordance with GAAP and if not defined by GAAP the meaning assigned to it in general practice, (iii) "or" is disjunctive but not necessarily exclusive and (iv) the phrases "primarily relates to the Nebraska System," "primarily relates to the Nebraska Pipeline" and all other similar phrases refer to rights, properties and assets of Seller or Seller Subsidiary, as applicable, solely relating or primarily and directly relating to the Nebraska System or the Nebraska Pipeline, as applicable and are meant to exclude rights, properties or assets of Seller or Seller Subsidiary, as applicable, or any Affiliate of Seller or Seller Subsidiary, as applicable, owned, held or acquired for use (A) substantially in any business other than the operation of the Nebraska System or the Nebraska Pipeline or (B) generally in all or substantially all businesses or activities of Seller, Seller Subsidiary and their Affiliates.

(b) As used in this Agreement, all references to "\$" or dollar amounts are to lawful currency of the United States of America.

II. THE ACQUISITION

2.1. Purchase and Sale of Assets of Seller and Seller Subsidiary. (a) On the terms and subject to the conditions of this Agreement, at the Closing, Seller and Seller Subsidiary will Transfer and Purchaser will purchase and accept, all of the rights, properties and assets owned or used by Seller, Seller Subsidiary or both as of the Closing which primarily relate to the Nebraska System, the Nebraska Pipeline or both of every type and description, tangible and intangible, wherever located (any right, property or asset located in Nebraska is deemed to be primarily related to the Nebraska System or the Nebraska Pipeline, as applicable) and whether or not reflected on the books and records of Seller, Seller Subsidiary or both as of the Closing Date (including all such rights, properties and assets acquired by Seller, Seller Subsidiary or both between the date hereof and the Closing Date) (collectively, the "Acquired Assets") including, without limitation, the following rights, properties and assets to the extent they primarily relate to the Nebraska System, the Nebraska Pipeline or both:

(i) All right, title and interest of Seller and Seller Subsidiary in and to all real property of Seller, Seller Subsidiary or both, including, without limitation, that listed or described on

Schedule 2.1(a)(i), together with all appurtenant easements thereon and all structures, fixtures and improvements located thereon (collectively, the "Owned Real Property");

(ii) All right, title and interest of Seller and Seller Subsidiary in and to (A) all facilities of Seller, Seller Subsidiary or both, including, without limitation, all pipe and meters for the transmission and distribution of natural gas, (B) all furniture and furnishings, office materials and supplies of Seller, Seller Subsidiary or both and (C) all vehicles of Seller, Seller Subsidiary or both (collectively, the "Tangible Personal Property");

(iii) All accounts receivable of Seller, Seller Subsidiary or both, including, without limitation, all notes, customer accounts receivable, receivables from appliance sales and service, employee advances, Nebraska Tax refund receivables to the extent required to be refunded to customers and other receivables (collectively, the "Accounts Receivable");

(iv) All purchased gas adjustment balances of Seller, Seller Subsidiary or both, including, without limitation, those listed or described on

Schedule 2.1(a)(iv) (collectively, the "PGA Balances");

(v) The balances of the asset accounts of Seller, Seller Subsidiary or both listed or described on Schedule 2.1(a)(v) (collectively, the "Other Working Capital Assets");

(vi) All inventory of Seller, Seller Subsidiary or both, including, without limitation, all propane, merchandise, appliance parts, materials, supplies and fuel oil (the "Inventory");

(vii) All right, title and interest of Seller and Seller Subsidiary in and to all licenses, agreements or understandings regarding rights of way or rights of access of Seller, Seller Subsidiary or both over or through real property owned by third parties to any of the Tangible Personal Property (collectively, the "Real Property Licenses");

(viii) Subject to Section 2.2, all right, title and interest of Seller and Seller Subsidiary in and to all leases of real property of Seller, Seller Subsidiary or both, including, without limitation, those listed or described on Schedule 2.1(a)(viii) (collectively, the "Real Property Leases");

(ix) Subject to Section 2.2, all right, title and interest of Seller and Seller Subsidiary

in and to all leases of personal property, contracts or other instruments, agreements or other legally binding arrangements of Seller, Seller Subsidiary or both, including, without limitation, those listed or described on Schedule 2.1(a)(ix) but excluding all gas purchase and gas transportation contracts and Pipeline Entitlements (collectively, the "Contracts");

(x) Subject to Section 2.2, all right, title and interest of Seller and Seller Subsidiary in and to all contracts or agreements relating to long-term interstate pipeline gas supply and related transportation of Seller, Seller Subsidiary or both, including, without limitation, those listed or described on Schedule 2.1(a)(x) (collectively, the "Pipeline Entitlements");

(xi) Subject to Section 2.3, all right, title and interest of Seller and Seller Subsidiary in and to all Franchises, licenses, permits, certificates and approvals issued to Seller, Seller Subsidiary or both by any Governmental Entity (other than the FERC or the Federal Trade Commission pursuant to the HSR Act) that are in effect as of the Closing (collectively, the "Permits");

(xii) All right, title and interest of Seller and Seller Subsidiary in and to all claims of

Seller, Seller Subsidiary or both against third parties and all refunds from (including, without limitation, imbalances from natural gas suppliers or customers), advances (for construction or otherwise) to or prepayments to third parties or Governmental Entities (excluding any Income Tax refunds and any Nebraska Tax refunds in excess of amounts required to be refunded to customers);

(xiii) All right, title and interest of Seller and Seller Subsidiary to accrued but unbilled revenues of Seller, Seller Subsidiary or both;

(xiv) All right, title and interest of Seller and Seller Subsidiary in and to all Records;

(xv) All right, title and interest of Seller and Seller Subsidiary in and to all intellectual property and other proprietary rights of Seller, Seller Subsidiary or both, including, without limitation, all patents, patent applications, trademarks, trademark applications, servicemarks, servicemark applications, copyrights and copyright applications and all rights as a licensee under any of the foregoing, all know-how, including all proprietary and other technical information and technology owned and/or used, including, without limitation, methods, designs, instructions, drawings, manuals, blueprints,

software, records and documents pertaining to the foregoing; and

(xvi) Except for the Excluded Assets, all right, title and interest of Seller, Seller Subsidiary or both in and to such other rights, properties and assets owned by Seller, Seller Subsidiary or both that are located as of the Closing on the Owned Real Property or the Leased Real Property.

(b) Notwithstanding any provision of this Agreement to the contrary, the Acquired Assets shall not include the following rights, properties and assets (the "Excluded Assets"):

(i) All assets located on the Owned Real Property or the Leased Real Property but owned by third parties;

(ii) All cash or cash-equivalent assets of Seller, Seller Subsidiary or both or any Affiliate of Seller, Seller Subsidiary or both on hand, in lock boxes or in financial institutions;

(iii) All rights, properties or assets of Seller, Seller Subsidiary or both listed or described on Schedule 2.1(b)(iii);

(iv) Except as provided in Section 7.5, all rights under insurance policies issued by third parties to Seller, Seller Subsidiary or both or any

Affiliate of Seller, Seller Subsidiary or both, whether or not pertaining to the Nebraska System, the Nebraska Pipeline or the Acquired Assets and all rights of every nature and description under or arising out of such policies;

(v) All rights of Seller, Seller Subsidiary or both or any Affiliate of Seller, Seller Subsidiary or both under applicable Laws or contracts other than insurance policies to contribution or indemnity against third parties with respect to any Retained Liability or to any other matter for which Seller and Seller Subsidiary have agreed to indemnify Purchaser and its officers, directors, shareholders, agents, employees, representatives, successors and assigns under this Agreement;

(vi) All Income Tax receivables and claims for refunds and Nebraska Tax receivables and claims for refunds in excess of amounts required to be refunded to customers; and

(vii) All rights (including Tax and Income Tax and other refunds and claims thereto) that are attributable exclusively to any of the Retained Liabilities.

2.2. Nonassignable Real Property Leases, Contracts and Pipeline Entitlements. (a) To the extent that any Real Property Lease, Contract or Pipeline Entitlement is not capable of being Transferred without the consent, approval or waiver of a third person or entity and Seller, Seller Subsidiary or both shall have been unable to obtain such consent, approval or waiver, or if such Transfer or attempted Transfer would constitute a breach thereof or a violation of Law, or is not practicable because it relates in a substantial degree to aspects of Seller's or Seller Subsidiary's businesses other than the operation of the Nebraska System or the Nebraska Pipeline, nothing in this Agreement will constitute a Transfer or an attempted Transfer thereof.

(b) Notwithstanding any provision of this Agreement to the contrary, Seller and Seller Subsidiary will not be obligated to Transfer to Purchaser any of its rights in and to any Real Property Lease, Contract or Pipeline Entitlement referred to in Section 2.2(a) without first having obtained all consents, approvals and waivers necessary for such Transfer. Seller will use reasonable efforts and Purchaser will cooperate with Seller to obtain such consents, approvals and waivers, to resolve the impracticalities of Transfer referred to in Section 2.2(a) and to obtain any other consents, approvals and waivers necessary to Transfer to Purchaser any such Real Property Lease, Contract or

Pipeline Entitlement. Any cost or expense of procuring any such Transfer shall be paid by Seller.

(c) To the extent that the consents, approvals and waivers referred to in Section 2.2(a) are not obtained by Seller or Seller Subsidiary, or until the impracticalities of Transfer referred to therein are resolved, Seller will (i) provide to Purchaser the practical benefits or the equivalent thereof of any Real Property Lease, Contract or Pipeline Entitlement for the remainder of its term and (ii) enforce, at the request of Purchaser, for the account of Purchaser, any rights of Seller, Seller Subsidiary or both arising from any such Real Property Lease, Contract or Pipeline Entitlement (including without limitation the right to elect to terminate in accordance with the terms thereof upon the advice of Purchaser) and (iii) to the extent any Real Property Lease, Contract or Pipeline Entitlement relates in a substantial degree to aspects of Seller's or Seller Subsidiary's businesses other than the operation of the Nebraska System or the Nebraska Pipeline, promptly use reasonable efforts to renegotiate with the other party or parties to such Real Property Lease, Contract or Pipeline Entitlement to provide for a substantially similar but separate contract relating exclusively to the Nebraska System or the Nebraska Pipeline. The reasonable costs and expenses of Seller in providing the benefit of or enforcing

any such Real Property Lease, Contract or Pipeline Entitlement shall be paid by Purchaser.

(d) Purchaser will perform the obligations arising under all Real Property Leases, Contracts and Pipeline Entitlements referred to in Section 2.2(a) for the benefit of the other party or parties thereto to the extent reasonably requested to do so by Seller, Seller Subsidiary or both but only to the extent Purchaser is receiving the practical benefits of such Real Property Lease, Contract or Pipeline Entitlement.

2.3. Nontransferable Permits. (a) To the extent that any Permit is not capable of being Transferred without the authorization, consent, order or approval of a Governmental Entity, or if such Transfer or attempted Transfer would constitute a violation of Law, or is not practicable because it relates in a substantial degree to aspects of Seller's or Seller Subsidiary's businesses other than the operation of the Nebraska System or the Nebraska Pipeline, nothing in this Agreement will constitute a Transfer or an attempted Transfer thereof.

(b) Notwithstanding any provision of this Agreement to the contrary, Seller and Seller Subsidiary will not be obligated to Transfer to Purchaser any of its rights under any Permit referred to in Section 2.3(a) without first having obtained all authorizations, consents, orders and approvals necessary for such Transfer. Until such transfer

occurs, Seller and Seller Subsidiary will use reasonable efforts and Purchaser will cooperate with Seller and Seller Subsidiary, to obtain such authorizations, consents, orders and approvals, to resolve the impracticalities of Transfer referred to in Section 2.3(a) and to obtain any other authorizations, consents, orders and approvals necessary to Transfer to Purchaser any such Permit. Any cost or expense of procuring any such Transfer shall be paid by Seller. At the expiration of the term of such Permit, Seller will have no further obligations hereunder with respect to any such Permit and the failure to obtain any such authorization, consent, order or approval with respect thereto will not be a breach of this Agreement.

(c) To the extent that the consents, approvals and waivers referred to in Section 2.3(a) are not obtained by Seller or Seller Subsidiary, or until the impracticalities of Transfer referred to therein are resolved, Seller will use its best efforts to (i) provide to Purchaser the practical benefits or the equivalent thereof of any Franchise for the remainder of its term and (ii) enforce, at the request of Purchaser, for the account of Purchaser, any rights of Seller, Seller Subsidiary or both arising from any such Franchise (including without limitation the right to elect to terminate in accordance with the terms thereof upon the advice of Purchaser). The reasonable costs and expenses of Seller in providing the

benefit of or enforcing any such Real Property Lease, Contract or Pipeline Entitlement shall be paid by Purchaser.

(d) Purchaser will perform the obligations arising under all Franchises referred to in Section 2.3(a) for the benefit of the other party or parties thereto to the extent reasonably requested to do so by Seller but only to the extent Purchaser is receiving the practical benefits of such Franchise.

III. PURCHASE PRICE; PAYMENT OF PURCHASE PRICE

3.1. Cash Closing Payment. (a) In consideration of the Transfer of the Acquired Assets, in addition to the assumption of the Assumed Liabilities, at the Closing Purchaser will pay by wire transfer of immediately available funds to such account as will have been designated by Seller an amount equal to the Cash Closing Payment.

(b) No later than the 30 days following the Closing Date, Seller will prepare and deliver to Purchaser a statement (the "Settlement Statement") certified by the Vice President and Controller of Minnegasco setting forth Seller's and Seller Subsidiary's computation of the Settlement Amount. The Settlement Statement and all items contained therein shall be audited (the "Audit") by the Accountants. The Accountants shall use GAAS and shall opine whether the amounts set forth on the Settlement Statement are presented fairly, in all material respects, in

accordance with GAAP, as modified by the terms of this Agreement.

(c) Upon receipt by the Accountants of the Schedule of Property, Plant and Equipment required to be delivered pursuant to Section 5.7, the Accountants shall commence an audit of the Schedule of Property, Plant and Equipment (the "Plant Audit"). The Accountants shall use GAAS and shall opine whether the amounts set forth on the Schedule of Property, Plant and Equipment are presented fairly, in all material respects, in accordance with GAAP, as modified by the terms of this Agreement.

(d) "[M]aterial" for the purposes of the Audit and the Plant Audit shall mean there have not been identified net errors and adjustments of \$100,000 or more in the aggregate in the Audit or the Plant Audit, respectively. In the event the net combined errors and adjustments for the Audit exceed \$100,000, all adjustments shall be from the first dollar. In the event the net combined errors and adjustments for the Plant Audit exceed \$100,000, all adjustments shall be from the first dollar. In the event adjustments are required for the Accountants to determine that the Settlement Amount is presented fairly, in all material respects, in accordance with GAAP, as modified by the terms of this Agreement, all such adjustments deemed necessary by the Accountants shall be deemed to have been made. In the event adjustments are required for the

Accountants to determine that the amounts set forth on the Schedule of Property, Plant and Equipment are presented fairly, in all material respects, in accordance with GAAP as modified by the terms of this Agreement, all such adjustments deemed necessary by the Accountants shall be deemed to have been made and incorporated into the Settlement Statement. Each of the Audit and Plant Audit reports will be (i) in writing, (ii) furnished to each of the parties hereto as promptly as practicable but in no event later than 120 days after the delivery to Purchaser of the Settlement Statement, in the case of the Audit, or the delivery of the Schedule of Property, Plant and Equipment, in the case of the Plant Audit, (iii) conducted in accordance with this Agreement and (iv) conclusive and binding upon each of the parties hereto. The parties hereto agree that the Audit and the Plant Audit shall be used by them solely for the purposes of this Section 3.1 and shall be kept confidential, except as disclosure may be required by Law or by Governmental Entity. In connection with the Audit and the Plant Audit, the Accountants will be entitled to rely on the workpapers, trial balances and similar materials prepared by Seller's internal and external accountants in connection with their examination of the financial statements of Seller, Seller Subsidiary and their Affiliates. Purchaser, Seller and Seller Subsidiary will use reasonable efforts to cause the Accountants to render

their decision as soon as practicable, including without limitation the prompt compliance with all reasonable requests by the Accountants for information, books, records and similar items. Thirty days prior to issuing a final Audit or Plant Audit report, the Accountants shall send to the parties hereto a draft Audit or Plant Audit report and permit comment by such parties on such draft report before issuing a final report. Neither party hereto will disclose to the Accountants and the Accountants will not consider for any purpose, any settlement offer made by either party. The fees and expenses of the Accountants will be paid by Purchaser.

(e) The Settlement Amount will be paid by Seller or Purchaser, as applicable, within ten calendar days after the final determination of the Settlement Amount by the Accountants, with payment to be made by wire transfer of immediately available funds of the amount of such difference, together with interest thereon from the Closing Date to the date of payment (at the rate of 8.5% per annum on the basis of a 365-day year, calculated on the basis of the actual number of days elapsed), to such account as will have been designated by Purchaser or Seller.

3.2. Assumption of Liabilities. (a) At the Closing but effective as of the dates set forth below, Purchaser will assume and thereafter in due course pay and fully satisfy the following

liabilities or obligations of Seller, Seller Subsidiary or both (collectively, the "Assumed Liabilities"):

(i) The balances as of the Closing Date of the liability accounts of Seller, Seller Subsidiary or both listed or described on Schedule 3.2(a)(i) (collectively, the "Working Capital Liabilities");

(ii) Subject to Section 2.2, all liabilities or obligations of Seller, Seller Subsidiary or both from the Effective Time arising under or related to any Real Property Lease, Contract or Pipeline Entitlement transferred to Purchaser;

(iii) Subject to Section 2.3, all liabilities or obligations of Seller, Seller Subsidiary or both from the Effective Time arising under or related to any Permit transferred to Purchaser;

(iv) All liabilities or obligations relating to Income Taxes relating to the Nebraska System, the Nebraska Pipeline or both, for all periods, or portions thereof, after the Closing Date;

(v) All liabilities or obligations relating to Taxes relating to the Nebraska System, the Nebraska Pipeline or both, for all periods, or portions thereof, after the Effective Time;

(vi) All liabilities or obligations of Seller or any Affiliate of Seller expressly assumed by Purchaser in Section 7.1;

(vii) All liabilities or obligations in respect of claims, actions, suits, proceedings and investigations relating to or arising out of, directly or indirectly, the operation of the Nebraska System, the Nebraska Pipeline or both or the ownership or use of any of the Acquired Assets after the Effective Time;

(viii) All liabilities or obligations of Seller, Seller Subsidiary or both listed or described on Schedule 3.2(a)(viii) whenever arising; and

(ix) All liabilities or obligations of Seller, Seller Subsidiary or both for imbalances with or surcharges imposed by natural gas suppliers of the Nebraska System or the Nebraska Pipeline or imbalances with customers of the Nebraska System or the Nebraska Pipeline and all liabilities or obligations of Seller, Seller Subsidiary or both to make refunds to customers of the Nebraska System or the Nebraska Pipeline after the Closing Date.

(b) Notwithstanding any provision of this Agreement to the contrary, the Assumed Liabilities shall not include

the following liabilities or obligations (the "Retained Liabilities"):

(i) All liabilities or obligations of Seller, Seller Subsidiary or both that are attributable exclusively to any of the Excluded Assets;

(ii) All liabilities or obligations of Seller, Seller Subsidiary or both or any consolidated group of which Seller, Seller Subsidiary or both are members relating to Income Taxes relating to the Nebraska System, the Nebraska Pipeline or both, for all periods, or portions thereof, on or prior to the Closing Date;

(iii) Except for Working Capital Liabilities, all liabilities or obligations of Seller, Seller Subsidiary or both or any consolidated group of which Seller, Seller Subsidiary or both are members relating to Taxes relating to the Nebraska System, the Nebraska Pipeline or both, for all periods, or portions thereof, prior to the Effective Time;

(iv) Except as provided in Section 3.2(a)(viii), all liabilities or obligations of Seller, Seller Subsidiary or both or any predecessor or Affiliate of Seller, Seller Subsidiary or both in respect of claims, actions, suits, proceedings and

investigations (including, without limitation, those under any Environmental Laws) instituted, relating to or arising out of, directly or indirectly, the operation of the Nebraska System, the Nebraska Pipeline or both or the ownership or use of any of the Acquired Assets, on or prior to the Effective Time;

(v) All liabilities or obligations paid or payable to third parties by Seller, Seller Subsidiary or both arising solely in connection with the negotiation, preparation and execution of this Agreement and the consummation of the transactions contemplated hereby;

(vi) Except as expressly provided in Section 7.1, all liabilities or obligations of Seller, Seller Subsidiary or both with respect to employment or consulting agreements, vacation, pension, profit-sharing, welfare or benefit plans, medical, accident and health, life insurance, long-term disability and worker's compensation, commissions or compensation, termination, severance or other payments to Employees or Former Employees, officers, directors or shareholders of Seller, Seller Subsidiary or both that are based on the Employees' or Former Employees' employment with Seller or Seller Subsidiary prior to the Effective Time;

(vii) All liabilities or obligations of Seller, Seller Subsidiary or both with respect to continuation coverage under Section 4980B of the Code with respect to Former Employees;

(viii) All liabilities or obligations of Seller, Seller Subsidiary or both resulting from (A) a violation of the provisions of this Agreement by Seller, Seller Subsidiary or both or (B) a material violation of a material Law or the willful misconduct or gross negligence of Seller, Seller Subsidiary or both, unless in either case instructed or consented to by Purchaser or otherwise required pursuant to this Agreement; and

(ix) Except for Working Capital Liabilities, all liabilities or obligations of Seller, Seller Subsidiary or both to the extent reflected as an expense in Interim Income.

IV. REPRESENTATIONS AND WARRANTIES

4.1. Representations and Warranties of Seller. Subject to Section 4.3, Seller hereby represents and warrants to Purchaser as follows:

4.1.1. Corporate Matters. Seller is a corporation duly organized, validly existing and in good standing under the Laws of the State of Delaware and has the requisite corporate power and authority to own, lease or otherwise hold the Acquired Assets owned, leased or otherwise held by it and to operate the Nebraska

System as presently operated by it. Seller Subsidiary is a corporation duly organized, validly existing and in good standing under the Laws of the State of Minnesota and has the requisite corporate power and authority to own, lease or otherwise hold the Acquired Assets owned, leased or otherwise held by it and to operate the Nebraska Pipeline as presently operated by it. Each of Seller and Seller Subsidiary is duly qualified to conduct business as a foreign corporation in the State of Nebraska.

4.1.2. Authorization and Effect of Agreement. Each of Seller and Seller Subsidiary has the requisite corporate power and authority to execute and deliver this Agreement and to perform the transactions contemplated hereby to be performed by it. The execution and delivery by each of Seller and Seller Subsidiary of this Agreement and all other agreements, certificates and instruments contemplated hereby to be executed and delivered by it and the respective performance by each of Seller and Seller Subsidiary of the transactions contemplated hereby to be performed by it have been duly authorized by all necessary corporate action on the part of Seller or Seller Subsidiary, as applicable, and no further approvals are required by the officers, directors or shareholders of Seller or Seller Subsidiary in connection therewith. This Agreement has been duly executed and delivered by each of Seller and Seller Subsidiary and, assuming the due execution and delivery of this Agreement by Purchaser, constitutes a legal, valid and binding obligation of

each of Seller and Seller Subsidiary enforceable against it in accordance with its terms.

4.1.3. No Restrictions Against Sale of the Acquired Assets.

The execution and delivery by each of Seller and Seller Subsidiary of this Agreement and all other agreements contemplated hereby to be executed and delivered by it does not, and the performance by each of Seller and Seller Subsidiary of the transactions contemplated hereby and thereby to be performed by it will not, conflict with, or result in any violation of, or constitute a default (with or without the giving of notice or lapse of time or both) under, or give rise to a right of termination, cancellation or acceleration of any obligation or result in loss of a material benefit under, any provision of the Certificate of Incorporation or Bylaws of Seller, the Articles of Incorporation or Bylaws of Seller Subsidiary or any Real Property Lease, Contract, Pipeline Entitlement or Permit, except for such conflicts, violations or defaults (a) as are listed or described on Schedule 4.1.3 or (b) that would not have a Material Adverse Effect. No material consent, approval, order or authorization of, or registration, declaration, notice or filing with, any Governmental Entity is required to be obtained or made by or with respect to Seller or Seller Subsidiary in connection with the execution and delivery of this Agreement by Seller or Seller Subsidiary or the performance by Seller or Seller Subsidiary of the transactions contemplated hereby to be performed by it, except for (a) any filings required to be made by Seller, Seller

Subsidiary or both, under applicable requirements of the HSR Act and (b) such consents, approvals, orders, authorizations, registrations, declarations or filings (i) as are listed or described on Schedule 4.1.3 or (ii) that, if not so obtained or made, would not have in the aggregate a Material Adverse Effect.

4.1.4. Compliance With Laws. Seller is not in violation of any applicable Law in the operation of the Nebraska System, and Seller Subsidiary is not in violation of any applicable Law in the operation of the Nebraska Pipeline, except in each case for such violations (i) as are listed or described on Schedule 4.1.4 or (ii) that would not have a Material Adverse Effect.

4.1.5. Financial Statements and Other Reports. (a) Set forth on Schedule 4.1.5(a) is a schedule of Property, Plant and Equipment with respect to the Nebraska System and the Nebraska Pipeline as of October 31, 1992.

(b) Set forth on Schedule 4.1.5(b) are the unaudited statements of income with respect to the Nebraska System and the Nebraska Pipeline for the twelve months ended December 31, 1990, December 31, 1991, June 30, 1992 and October 31, 1992 (the "Unaudited Income Statements"). The Unaudited Income Statements fairly present, in all material respects, the results of operations of the Nebraska System and the Nebraska Pipeline for the periods indicated above and have been prepared in conformity with GAAP throughout the periods covered thereby (except in the case of interim income statements for normal year end adjustments), and, to

the knowledge of Seller, no event occurred subsequent to October 31, 1992 that would materially alter such Unaudited Income Statements.

(c) Set forth on Schedule 4.1.5(c) is a list of all routine and regular and all other material filings, returns and reports made to any Governmental Entity by Seller, Seller Subsidiary or both since January 1, 1992, and all material written communications from any such Governmental Entity to Seller, Seller Subsidiary or both, primarily relating to the financial condition, conduct or operations of the Nebraska System or the Nebraska Pipeline dated since January 1, 1992.

(d) Set forth on Schedule 4.1.5(d) are true, correct and complete copies of all material reports or correspondence dated since January 1, 1992 from the auditors of Seller and Seller Subsidiary to the officers, directors or management of Seller, Seller Subsidiary or both regarding the accounting procedures, financial controls or management procedures of the Nebraska System, the Nebraska Pipeline or both.

4.1.6. Absence of Certain Events. Except as described on Schedule 4.1.6 and except as otherwise permitted by this Agreement, since October 31, 1992, the Nebraska System and the Nebraska Pipeline have been operated only in the ordinary and normal course of business and consistent with past practices and there has not been:

(a) Any change, event or condition in or of the Nebraska System or the Nebraska Pipeline that has had a Material Adverse Effect or any occurrence, circumstance or combination thereof which might reasonably be expected to result in a Material Adverse Effect before, on or after the Closing Date;

(b) Any damage, destruction or loss, whether covered by insurance or not, materially and adversely affecting the assets or the business;

(c) Except for regularly scheduled increases and contemplated amendments to Employee Plans as described on Schedule 4.1.6(c) and except for increases resulting from promotions, any increase or decrease in the compensation payable to or to become payable by Seller or Seller Subsidiary to any Employee, or change in any Employee Plan or any commission or bonus paid to any Employee or Former Employee;

(d) Any assumption, guarantee, endorsement or other arrangement pursuant to which Seller or Seller Subsidiary has become responsible for the liability or obligation of any other person (whether absolute, accrued, contingent or otherwise) which might reasonably be expected to result in a Material Adverse Effect;

(e) Any transfer or grant to any third party of any material right under any Contract, patent, patent license, invention, trade name, trademark, servicemark or copyright,

or registration or license thereof or application therefor, or with respect to any know-how or other proprietary or trade right, any of which is used primarily in the Nebraska System, the Nebraska Pipeline or both;

(f) Any termination, discontinuance, closing or disposal of any plant, facility or material business operations of Seller or Seller Subsidiary primarily relating to the Nebraska System or the Nebraska Pipeline; or

(g) Any material decrease in the reserves or allowances held by Seller, Seller Subsidiary or both for bad debts primarily related to the Nebraska System or the Nebraska Pipeline inconsistent with Seller's or Seller Subsidiary's past practices.

4.1.7. Title to Property. Either Seller or Seller Subsidiary has good and marketable title to the Acquired Assets except for the Owned Real Property and the Real Property Licenses free and clear of all Liens, except for (a) Liens listed or described on Schedule 4.1.7 and (b) Permitted Liens.

4.1.8. Title to Real Property. Either Seller or Seller Subsidiary has good and marketable title to the Owned Real Property free and clear of all Liens, except for (a) Liens listed or described on Schedule 4.1.8, (b) Permitted Liens, (c) easements, covenants, rights-of-way and other encumbrances or restrictions of record or referred to in an applicable lease that do not materially impair the continued use of the property subject thereto in the operation of the Nebraska System and the

Nebraska Pipeline as presently conducted, (d) restrictions arising as a matter of Law and (e) unrecorded easements, covenants, rights-of-way or other encumbrances or restrictions that do not materially impair the continued use of the property subject thereto in the operation of the Nebraska System and the Nebraska Pipeline as presently conducted.

4.1.9. Insurance. Seller and Seller Subsidiary have made available to Purchaser schedules of all material policies of fire, liability and other forms of Insurance currently in effect and excess liability policies covering occurrences or claims made since January 1, 1977.

4.1.10. Litigation; Decrees. There are no lawsuits, administrative or other proceedings pending and, to the knowledge of Seller, no claims relating to the operation of the Nebraska System or the Nebraska Pipeline are threatened in writing by, against or affecting Seller, Seller Subsidiary or both, that, if determined adversely, would have a Material Adverse Effect, except (a) as listed or described on Schedule 4.1.10 and (b) for claims for money damages alone of less than \$50,000 in respect of any single claim. Neither Seller nor Seller Subsidiary is in default under any judgment, order or decree of any Governmental Entity applicable to the operation of the Nebraska System or the Nebraska Pipeline or the ownership or use of the Acquired Assets, except for such defaults that would not have a Material Adverse Effect.

4.1.11. Contract Rights. Except as listed or described on Schedule 4.1.11, neither Seller nor Seller Subsidiary is a party to or bound by any of the following arrangements:

(a) Any employment or consulting agreement with any Employee or Former Employee that (i) is not terminable at will by Seller or Seller Subsidiary (other than any agreement for the employment of any such Employee or Former Employee implied in Law) and (ii) will require the payment of amounts by Seller or Seller Subsidiary after the Closing Date in excess of \$20,000 per annum;

(b) Any collective bargaining agreement with any labor union relating to the operation of the Nebraska System or the Nebraska Pipeline; or

(c) Any agreement granting to any person a first-refusal, first-offer or similar preferential right to purchase or acquire any of the Acquired Assets.

4.1.12. Employee Plans. (a) Schedule 4.1.12 lists or describes all Employee Plans other than Employee Plans mandated by Law. None of the Employee Plans is a Multiemployer Plan.

(b) With respect to each Employee Plan listed or described on Schedule 4.1.12, Seller or Seller Subsidiary has made available to Purchaser (i) a copy of the plan document as currently in effect (or, if there is no plan document for such Employee Plan, a description of such

Employee Plan) and (ii) a copy of the most recent summary plan description.

(c) None of Seller or any Affiliate of Seller or, to the knowledge of Seller, any other person, has engaged in any transaction with respect to any Employee Plan that could subject Seller, Seller Subsidiary, any Employee Plan or Purchaser to a material civil penalty under ERISA or a material tax under the Code. Each of the Employee Plans has been operated and administered in all material respects in accordance with applicable Laws. Neither Seller nor any Affiliate of Seller has incurred or presently expects to incur any liability under Title IV of ERISA that could reasonably result in liability to Purchaser. Each Employee Plan that is a Group Health Plan is in material compliance with the provisions of Section 4980B(f) of the Code. There is not any material pending or, to the knowledge of Seller, threatened claim by or on behalf of any Employee or Former Employee covered under any Employee Plan, or otherwise involving any Employee Plan (other than routine non-contested claims for benefits).

(d) Seller has delivered to Purchaser all plan documents and other descriptions relating to retiree medical or life insurance benefits provided to any Employee or Former Employee under an Employee Plan, and neither Seller nor any of its Affiliates is obligated to provide retiree medical or life insurance benefits to any Employee or Former

Employee except as contained in such plan documents and descriptions.

4.1.13. Taxes. Each of Seller and Seller Subsidiary has filed or caused to be filed with appropriate Governmental Entities all Tax Returns in respect of the operation of the Nebraska System or the Nebraska Pipeline or the ownership or use of the Acquired Assets required to be filed by it on or prior to the Closing Date (taking into account all extensions of due dates) and has paid or adequately provided for all Income Taxes and Taxes shown thereon as owing, except where the failure to file or pay such Taxes would not have a Material Adverse Effect. Neither Seller nor Seller Subsidiary has received written notice from any Nebraska Governmental Entity proposing any adjustment to any such Tax Return that has not been adequately provided for or satisfied.

4.1.14. Public Utility Holding Company Act. Neither Seller nor Seller Subsidiary is a "holding company" or an "affiliate" or "subsidiary" of a "holding company" or of a "public-utility company" (as such terms are defined in the Public Utility Holding Company Act of 1935, as amended and the rules and regulations thereunder).

4.1.15. Listing of Contracts and Property. (a) Schedule 2.1(a)(i) contains a list complete in all material respects of all Owned Real Property having a book value in excess of \$25,000;

(b) Schedule 2.1(a)(viii) contains a list complete in all material respects of all Real Property Leases; and

(c) Schedule 2.1(a)(ix) contains a list complete in all material respects of all Contracts requiring the expenditures of greater than \$25,000 in the aggregate or having a duration of one (1) year or longer.

4.1.16. All the Assets Necessary to Conduct Business.

Except as set forth on Schedule 4.1.16, the Acquired Assets constitute all the real property, personal property and other assets necessary to permit in all material respects the conduct of the business of the Nebraska System and the Nebraska Pipeline from and after the Closing Date substantially as such business is now conducted.

4.1.17. Environmental Matters. Except as listed or described on Schedule 4.1.4 or Schedule 4.1.17:

(a) The Acquired Assets and the operation of the Nebraska System and the Nebraska Pipeline as presently conducted by Seller and Seller Subsidiary are in substantial compliance with applicable Environmental Laws, except for such violations that would not have a Material Adverse Effect. Seller and Seller Subsidiary have in effect, or applications pending for, all permits, licenses and authorizations required by the Environmental Laws for the ownership and use of the Acquired Assets and the operation of the Nebraska System and the Nebraska Pipeline, and Seller and Seller Subsidiary are in substantial compliance with the

terms and conditions of such permits, licenses and authorizations, except for such noncompliance as would not have a Material Adverse Effect;

(b) Neither Seller nor Seller subsidiary is subject to any pending or, to Seller's knowledge, threatened litigation, charge, complaint, action, suit, proceeding, hearing, investigation, claim, demand, notice of violation of any Environmental Law or proceeding before any court or administrative agency in which any person alleges: (i) the presence, release, threat of release or placement on or in the Acquired Assets, the Nebraska System or the Nebraska Pipeline of any Hazardous Substance; (ii) the generation, transportation, storage, treatment or disposal at the Acquired Assets, the Nebraska System or the Nebraska Pipeline of any Hazardous Substance; or (iii) any failure to comply with any of the Environmental Laws except for such noncompliance as would not have a Material Adverse Effect;

(c) Neither Seller nor Seller Subsidiary has received written notice and neither has knowledge that any Governmental Entity or any consultant employed or retained by a Governmental Entity has determined that there is a presence, release, threat of release, placement on or in the Acquired Assets, the Nebraska System or the Nebraska Pipeline of any Hazardous Substance, or the generation, transportation, storage, treatment or disposal at the Acquired Assets, the Nebraska System or the Nebraska

Pipeline of any Hazardous Substance in violation of applicable Environmental Laws, which violation could reasonably be expected to have a Material Adverse Effect, and neither Seller nor Seller Subsidiary is subject to any consent decree, compliance order or administrative order issued pursuant to applicable Environmental Laws. Neither Seller nor Seller Subsidiary has received any written request for information, notice of violation, demand letter, administrative inquiry, complaint or claim dated January 1, 1991 or thereafter from any Governmental Entity pursuant to applicable Environmental Laws or regarding any Hazardous Substance;

(d) Neither Seller nor Seller Subsidiary has received written notice under the citizen suit provision of any Environmental Law;

(e) Seller and Seller Subsidiary have provided to the Purchaser all known material information regarding the environmental condition of the Acquired Assets, the Nebraska System and the Nebraska Pipeline including, without limitation, all environmental reports pertaining to the applicability of or compliance with the Environmental Laws and the presence of Hazardous Substances at or near or actually or potentially affecting the Acquired Assets, the Nebraska System or the Nebraska Pipeline;

(f) No Manufactured Gas Plant sites exist or, to the knowledge of Seller, have previously existed on or under any of the Owned Real Property or Leased Real Property; and

(g) No underground or aboveground storage tanks exist or, to the knowledge of Seller, have previously existed on or under any of the Owned Real Property or Leased Real Property.

4.1.18. Book Value of Property, Plant and Equipment. The net book value of Property, Plant and Equipment set forth on the Schedule of Property, Plant Equipment will be at least \$49,500,000.

4.2. Representations and Warranties of Purchaser. Subject to Section 4.3, Purchaser represents and warrants to Seller and Seller Subsidiary as follows:

4.2.1. Corporate Organization. Purchaser is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware and has the requisite corporate power and authority to own, lease or otherwise hold its properties and assets and to carry on its business as presently conducted.

4.2.2. Authorization and Effect of Agreement. Purchaser has the requisite corporate power and authority to execute and deliver this Agreement and to perform the transactions contemplated hereby to be performed by it. The execution and delivery by Purchaser of this Agreement and all other agreements, certificates and instruments contemplated hereby to be executed

by it and the performance by Purchaser of the transactions contemplated hereby to be performed by it have been duly authorized by all necessary corporate action on the part of Purchaser, and no further approvals are required by the officers, directors or shareholders of Purchaser in connection therewith. Purchaser has all requisite legal capacity to purchase, own or hold the Acquired Assets and to operate the Nebraska System and the Nebraska Pipeline upon the consummation of the transactions contemplated by this Agreement. This Agreement has been duly executed and delivered by Purchaser and, assuming the due execution and delivery of this Agreement by Seller and Seller Subsidiary, constitutes a valid and binding obligation of Purchaser enforceable against it in accordance with its terms.

4.2.3. No Restrictions Against Purchase of the Acquired Assets. The execution and delivery of this Agreement by Purchaser does not and the performance by Purchaser of the transactions contemplated hereby to be performed by it will not, conflict with, or result in any violation of, or constitute a default (with or without notice or lapse of time, or both) under, or give rise to a right of termination, cancellation or acceleration of any obligation or to loss of a material benefit under, any provision of the Certificate of Incorporation or Bylaws of Purchaser or any leases, agreements or other contracts and legally binding arrangements or any licenses, permits or approvals applicable to Purchaser, except those that would not have a material adverse effect on the business, operations or

financial condition of Purchaser and its subsidiaries, taken as a whole. No material consent, approval, order or authorization of, or registration, declaration or filing with, any Governmental Entity is required to be obtained or made by or with respect to Purchaser in connection with the execution and delivery of this Agreement by Purchaser or the consummation by Purchaser of the transactions contemplated hereby to be consummated by it, except for (a) any filings required to be made by Purchaser under applicable requirements of the HSR Act, or (b) such consents, approvals, orders, authorizations, registrations, declarations or filings required by the Public Service Commission of West Virginia and the Iowa Utilities Board.

4.2.4. Public Utility Holding Company Act. Except that Purchaser is an exempt "holding company" within the meaning of the Public Utility Holding Company Act of 1935, as amended, Purchaser is not a "holding company" or an "affiliate" or "subsidiary" of a "holding company" or of a "public-utility company" (as such terms are defined in the Public Utility Holding Company Act of 1935, as amended and the rules and regulations thereunder).

4.3. Certain Limitations on Representations and Warranties. (a) Each of Purchaser and Seller is a sophisticated legal entity that was advised by knowledgeable counsel and, to the extent it deemed necessary, other advisors in connection with this Agreement. Accordingly, each of Purchaser and Seller hereby acknowledges that there are no

representations or warranties by or on behalf of any party hereto or any of its respective Affiliates or representatives other than those expressly set forth in this Agreement.

(b) The representations and warranties made in this Agreement by Seller will be deemed for all purposes to be qualified by the disclosure made in the Schedules, whether or not in the case of any particular representation or warranty such representation or warranty refers to the Schedule in which the disclosure is made or to any other Schedule. All references in this Agreement to the knowledge of Seller will be deemed to be references solely to the actual knowledge of the officers of Minnegasco listed on Schedule 4.3(b).

4.4. Limitations on Representations, Warranties, Covenants and Agreements and Suits Relating to the Agreement.

(a) The representations and warranties made by any party in this Agreement or in any agreement, certificate, schedule or exhibit delivered pursuant to this Agreement may be fully and completely relied upon by Seller, Seller Subsidiary and Purchaser, as the case may be, notwithstanding any investigation heretofore or hereafter made by such party or on behalf of any of them.

(b) All representations, warranties, covenants and agreements made by a party to another party in this Agreement or in any agreement, certificate, schedule or

exhibit delivered pursuant to this Agreement shall survive the Closing for a period of three years from the Closing Date, except (i) that the covenants and agreements in Section 7.6 shall survive for the periods set forth therein, (ii) that the representations and warranties made in Section 4.1.17 shall survive the Closing until the expiration of any applicable statute of limitations, (iii) that any agreement made by a party to another party in this Agreement or in any agreement, certificate, schedule or exhibit delivered pursuant to this Agreement and relating to any liability or obligation in respect of claims, actions, suits, proceedings or investigations instituted under Environmental Laws or based upon the presence or release of Hazardous Substances shall survive the Closing until the expiration of any applicable statute of limitations, (iv) that the provisions of Section 7.4 shall survive the Closing until the expiration of any applicable statute of limitations and (v) that the provisions of Section 5.1(b) shall survive the Closing until the expiration of any applicable statute of limitations. Upon the expiration of any such survival period, any suit, claim or action relating to any representation, warranty, covenant or agreement hereunder shall be forever barred.

V. COVENANTS

5.1. Investigation by Purchaser. (a) Prior to the Closing, upon reasonable notice from Purchaser to Seller given in accordance with this Agreement, Seller will allow the officers, attorneys, accountants or other authorized representatives of Purchaser reasonable access during normal business hours to the facilities and the books and records of Seller and Seller Subsidiary relating to the Nebraska System and the Nebraska Pipeline so as to permit Purchaser the full opportunity to make such review, examination and investigation of the Nebraska System and the Nebraska Pipeline as Purchaser may desire to make, including, without limitation, environmental inspections, evaluations or surveys; provided, however, that no soil, water or other samples will be taken and no environmental testing will be performed without Seller's prior written consent, which consent will not be unreasonably withheld. Purchaser will be permitted to make extracts from or to make copies of such books and records as may be reasonably necessary. Purchaser will not contact any employee of Seller or Seller Subsidiary or any Affiliate of Seller or Seller Subsidiary without the prior approval of an authorized representative of Seller or Seller Subsidiary, which shall not be unreasonably withheld. Prior to the Closing, Seller and Seller Subsidiary will periodically furnish or cause to be furnished such financial and operating data and other information pertaining to the

Nebraska System and the Nebraska Pipeline as Purchaser may reasonably request; provided, however, that nothing in this Agreement will obligate Seller or Seller Subsidiary to take actions that would (i) unreasonably disrupt the normal course of its or any of its Affiliate's businesses (including without limitation the operation of the Nebraska System or the Nebraska Pipeline), or (ii) violate the terms of any applicable Law or any agreement to which Seller or Seller Subsidiary or any of their Affiliates is a party or to which they or any of their Affiliates or any of their assets are subject.

(b) Subject to Section 5.2, whether or not the Closing occurs, each of Purchaser, Seller and Seller Subsidiary will treat in confidence all documents, materials and other information disclosed by any other party that is not its Affiliate, whether during the course of the negotiations leading to the execution of this Agreement or thereafter, in its investigation of the other and in the preparation of agreements, schedules and other documents relating to the consummation of the transactions contemplated hereby. In the event that this Agreement is terminated, none of the parties hereto will use any information furnished by any other party hereto in its or any of its Affiliate's businesses. If this Agreement is terminated, each of Purchaser, Seller and Seller Subsidiary will use its reasonable efforts to return to the other all

originals and copies of non-public documents and materials of the type provided for in this Section 5.1 that have been furnished in connection with this Agreement.

5.2. Press Releases. Prior to the Closing, no party hereto will issue or cause the publication of any press release or other public announcement with respect to this Agreement or the transactions contemplated hereby without the prior consent of Purchaser (in the case of Seller or Seller Subsidiary) or Seller (in the case of Purchaser), which consent will not be unreasonably withheld; provided, however, that nothing in this Agreement will prohibit any party hereto from issuing or causing publication of any such press release or public announcement to the extent that such party determines such action to be required by Law, by a regulatory body who has jurisdiction over it or its Affiliates or the rules of any national stock exchange applicable to it or its Affiliates, in which event the party making such determination will, if practicable in the circumstances, use reasonable efforts to allow the other party or parties to have reasonable time to comment on such release or announcement in advance of its issuance.

5.3. Regulatory Filings. (a) Each of Purchaser, Seller and Seller Subsidiary will use its reasonable efforts to obtain and to cooperate with the other in obtaining, all authorizations, consents, orders and approvals of Governmental Entities that may be or become necessary in connection with the consummation of the transactions

contemplated by this Agreement and to take all reasonable actions to avoid the entry of any order or decree by any Governmental Entity prohibiting the consummation of the transactions contemplated hereby.

(b) Without limiting the generality or effect of any provision of Section 5.3(a) or Article VI, if any United States, state or foreign court or regulatory body having jurisdiction over any party hereto issues or otherwise promulgates any injunction, decree or similar order prior to the Closing that prohibits the consummation of the transactions contemplated hereby, the parties will use their respective reasonable efforts to have such injunction dissolved or otherwise eliminated as promptly as possible and, prior to or after the Closing, to pursue the underlying litigation diligently and in good faith.

5.4. Operation of the Nebraska System and the Nebraska Pipeline. Except as set forth on Schedule 5.4, as contemplated herein or as otherwise consented to by Purchaser in writing, from the Effective Time through December 16, to the knowledge of Seller, Seller has complied with the provisions of Section 5.4(a) through 5.4(1) with respect to the operation of the Nebraska System and the Nebraska Pipeline, and, from December 17 through the Closing, Seller will in respect of the operation of the Nebraska System and the Nebraska Pipeline:

(a) Use reasonable efforts to keep the Nebraska System and the Nebraska Pipeline intact and not take or

permit to be taken or do or suffer to be done anything in respect of the Nebraska System or the Nebraska Pipeline other than in the ordinary course of business as presently conducted;

(b) Continue its existing practices relating to maintenance of the Acquired Assets;

(c) Except for those expenditures included in Seller's preliminary budget for capital expenditures set forth on Schedule 5.4, not amend or terminate any Contract, enter into any contract or commitment or purchase any asset for or requiring expenditures in excess of \$100,000 primarily relating to the Nebraska System or the Nebraska Pipeline, or sell, lease or dispose of, or make any contract for the sale, lease or disposition of, or subject to Lien, any of the Acquired Assets having a fair market value in excess of \$100,000;

(d) Not make any amendment to any Employee Plan or increase the general rates of compensation of Employees, except (i) in connection with amendments to comply with the Tax Reform Act of 1986 or as required by Law, (ii) pursuant to any regularly scheduled increases and contemplated amendments to Employee Plans as set forth on Schedule 4.1.6(c), or (iii) increases resulting from promotions;

(e) Use reasonable efforts to (i) keep available the service of its Employees (or comparable replacements) and (ii) preserve the present relationships with customers,

suppliers, Governmental Entities and others having material relationships with the Nebraska System or the Nebraska Pipeline;

(f) Conduct the operations of the Nebraska System and the Nebraska Pipeline substantially in accordance with the terms of all Permits applicable to such operation and use reasonable efforts to preserve and keep in full force all of the Permits;

(g) Maintain the books and records with respect to the operation of the Nebraska System and the Nebraska Pipeline, in all material respects, in accordance with GAAP and in compliance with regulatory or accounting requirements applicable to Seller or Seller Subsidiary;

(h) Not release, cancel or assign any material indebtedness owed to Seller primarily relating to the Nebraska System or to Seller Subsidiary primarily relating to the Nebraska Pipeline except in the ordinary course of business and only to the extent any such indebtedness does not exceed \$50,000;

(i) Not do any act or omit to do any act, which will cause a material breach of any material Contract;

(j) Timely (including all applicable extensions of time) file all Tax Returns in respect of the operation of the Nebraska System or the Nebraska Pipeline or the ownership or use of the Acquired Assets required to be filed with any federal or Nebraska Governmental Entity;

(k) Not do any act or omit to do any act which would result in the material violation of any Law including, without limitation, any Environmental Law;

(l) Not permit any Insurance to be canceled, terminated or modified or any of the coverage thereunder to lapse unless simultaneously with such termination or cancellation, replacement policies providing substantially the same coverage are in full force and effect; and

(m) Give notice to Purchaser prior to proceeding with any action, transaction, conduct or commitment affecting the Nebraska System or the Nebraska Pipeline which would require the approval or consent of Minnegasco's Vice President, Nebraska, South Dakota Operations with respect to the Nebraska System and the Nebraska Pipeline pursuant to Minnegasco's written policy.

5.5. Supplemental Schedules. Seller and Seller

Subsidiary agree to deliver to Purchaser at the Closing, updated and detailed information on the information contained in the Schedules required by Sections 1.1 and 4.1 ("Closing Schedules"), numbered to correspond to the Section of this Agreement to which they relate, including, without limitation, the (a) conditions, events, or other occurrences of any nature whatsoever that would be required by the provisions of this Agreement to be disclosed had they been known of on the date hereof or occurred prior to the date hereof and (b) exceptions to representations,

warranties, covenants and agreements of Seller or Seller Subsidiary set forth in this Agreement.

5.6. Satisfaction of Conditions. Without limiting the generality or effect of any provision of Article VI, prior to the Closing, each of the parties hereto will use reasonable efforts with due diligence and in good faith to satisfy promptly all conditions required by this Agreement to be satisfied by such party in order to expedite the consummation of the transactions contemplated hereby.

5.7. Schedule of Property, Plant and Equipment. (a) As soon as practicable, but in no event later than 30 days after the date of this Agreement, Seller and Seller Subsidiary shall deliver to Purchaser and the Accountants a Schedule of Property, Plant and Equipment (the "Schedule of Property, Plant and Equipment") which shall set forth as of the Effective Time the net book value of Property, Plant and Equipment determined in accordance with GAAP as reflected on the books of Seller. The Schedule of Property, Plant and Equipment shall be certified by the Vice President and Controller of Minnegasco.

(b) As soon as practicable, but in no event later than 30 days after the date of this Agreement, Seller shall deliver to Purchaser a list complete in all material respects of all Owned Real Property and Tangible Personal Property as of the Effective Time.

5.8. Delivery of Financials. As soon as practicable, but in no event later than 30 days after the end of each month commencing on the month ending on November 30, 1992 up to and including the Closing Date (with the information for the month ending on the Closing Date to be delivered as soon as practicable, but in no event later than 30 days after the Closing Date), Seller and Seller Subsidiary shall deliver to Purchaser an unaudited income statement for such month ended prepared in accordance with GAAP which shall show in reasonable detail the income and expenses of the Nebraska System and the Nebraska Pipeline for such month (the "Interim Financials") certified by the Vice President and Controller of Minnegasco.

5.9. Evaluation of Software. By January 31, 1993, Purchaser shall notify Seller of those programs or systems listed on Schedule 5.9 which Purchaser has determined it may need for the operation of the Nebraska System and the Nebraska Pipeline.

5.10. License of Excluded Assets. At the Closing, Seller shall provide an assignment, sublicense or separate license of the Excluded Assets listed on Schedule 5.10. To the extent such an Excluded Asset is proprietary to Seller, Seller shall provide a license reasonably satisfactory to Purchaser which shall include all components for the use and modification of the Excluded Asset being licensed. To the extent such Excluded Asset is the proprietary property or information of a third party, Seller shall provide an assignment, sublicense or separate license with terms no less favorable to Purchaser in respect of

the Nebraska System and the Nebraska Pipeline than Seller has. Any cost or expense of procuring an assignment, sublicense or separate license of property or information of a third party pursuant to this Section 5.10 shall be paid by Seller. Any license granted by Seller hereunder shall be limited to Purchaser's Peoples Natural Gas Division and any non-utility subsidiaries controlled by such Division.

5.11. Release of Liens. Prior to Closing, Seller shall furnish to Purchaser evidence reasonably satisfactory to Purchaser of the release of the Liens set forth on Schedule 4.1.7 (except for the Lien of Pitney Bowes Credit Corporation) and Schedule 4.1.8.

5.12. Discontinuance of Equitable Contract. Prior to Closing, Seller shall take any necessary actions to discontinue and assign those portions of the Equitable Contract relating to Employees and Former Employees.

VI. THE CLOSING

6.1. Conditions Precedent to Obligations of Purchaser, Seller and Seller Subsidiary. The obligations of each of Purchaser, Seller and Seller Subsidiary under this Agreement to consummate the transactions contemplated hereby will be subject to the satisfaction, at or prior to the Closing, of all of the conditions set forth in this Section 6.1, any one or more of which may be waived, (a) insofar as it is a condition to the obligations of Purchaser, by Purchaser at its option and (b) insofar as it is a condition to the obligations of Seller or

Seller Subsidiary, by Seller or Seller Subsidiary at their option.

6.1.1. Compliance with HSR Act. All applicable waiting periods with respect to the HSR Act shall have expired or been terminated.

6.1.2. No Injunction, Etc. There shall not have been entered a preliminary or permanent injunction, temporary restraining order or other judicial or administrative order or decree in any jurisdiction, the effect of which prohibits the Closing.

6.2. Additional Conditions Precedent to Obligations of Purchaser. The obligations of Purchaser under this Agreement to consummate the transactions contemplated hereby will be subject to the satisfaction, at or prior to the Closing, of all of the conditions set forth in this Section 6.2, any one or more of which may be waived by Purchaser at its option.

6.2.1. No Material Misrepresentation or Breach. All obligations required to be performed by Seller, Seller Subsidiary or both on or prior to the Closing Date shall have been performed as of the Closing; there shall have been no material breach by Seller or Seller Subsidiary in the performance of any of the covenants herein to be performed by it in whole or in part prior to the Closing; the representations and warranties of Seller contained in this Agreement shall be true and correct in all material respects as of the Closing, except for representations or warranties made as of a specified date, which shall be true

and correct in all material respects as of the specified date, and Seller shall have delivered to Purchaser a certificate certifying each of the foregoing, dated as of the Closing and signed by one of its executive officers on its behalf.

6.2.2. Transfer Documents. Seller and Seller Subsidiary shall have executed and delivered to Purchaser appropriate Transfer Documents.

6.2.3. Continuation of Service. Seller shall have met the condition set forth on Schedule 6.2.3.

6.2.4. Closing Schedules. The Closing Schedules shall not reveal the occurrence or existence of any fact, event or condition not disclosed on the Schedules to this Agreement on the date hereof which has caused or which may reasonably be expected to cause in the future a Material Adverse Effect or which materially and adversely affects the ability of Seller or Seller Subsidiary or Purchaser to consummate the transactions contemplated by this Agreement.

6.2.5. Approvals and Consents Obtained. (a) The final and nonappealable consents, approvals, waivers or authorizations of the Public Service Commission of West Virginia and the Iowa Utilities Board shall have been obtained and none of such approvals shall be subject to any condition which requires the taking or refraining from taking of any action which would have a material adverse effect on Purchaser, taken as a whole.

(b) Purchaser shall have obtained a Special Temporary Authority from the Federal Communications Commission to operate the licenses subject to the jurisdiction of the Federal Communications Commission which are to be transferred to Purchaser hereunder.

6.2.6. Transition Services and Gas Services. Seller shall have executed and delivered to Purchaser the Transition Services Agreement and the Gas Services Agreement.

6.3. Additional Conditions Precedent to Obligations of Seller and Seller Subsidiary. The obligations of Seller and Seller Subsidiary under this Agreement to consummate the transactions contemplated hereby will be subject to the satisfaction, at or prior to the Closing, of all the conditions set forth in this Section 6.3, any one or more of which may be waived by Seller and Seller Subsidiary at their option.

6.3.1. No Material Misrepresentation or Breach. All obligations required to be performed by Purchaser on or prior to the Closing Date shall have been performed as of the Closing; there shall have been no material breach by Purchaser in the performance of any of the covenants herein to be performed by it in whole or in part prior to the Closing; the representations and warranties of Purchaser contained in this Agreement shall be true and correct in all material respects as of the Closing, except for representations or warranties made as of a specified date, which shall be true and correct in all material respects as of the specified date, and Purchaser shall have delivered to Seller

and Seller Subsidiary a certificate certifying each of the foregoing, dated as of the Closing and signed by one of its executive officers on its behalf.

6.3.2. Cash Closing Payment. Purchaser shall have delivered to Seller and Seller Subsidiary in the manner specified in Section 3.1(a) an amount equal to the Cash Closing Payment.

6.3.3. Assumption Agreement. Purchaser shall have executed and delivered to Seller and Seller Subsidiary the Assumption Agreement.

6.3.4. Transition Services and Gas Services. Purchaser shall have executed and delivered to Seller the Transition Services Agreement and the Gas Services Agreement.

6.4. The Closing. The Closing will take place at 10:00 A.M. Central Standard Time on the Closing Date at the offices of Blackwell Sanders Matheny Weary & Lombardi in Kansas City, Missouri, or such other place as the parties hereto may agree.

6.5. Seller's and Seller Subsidiary's Obligations. At the Closing, Seller and Seller Subsidiary will deliver to Purchaser the following, at the expense of Seller and Seller Subsidiary and in proper form for recording when appropriate:

- (a) Appropriate Transfer Documents;
- (b) Appropriate receipts;
- (c) The Closing Schedules;
- (d) The certificate of Seller required by Section

6.2.1;

(e) Certified copies of resolutions adopted by the Boards of Directors of Seller and Seller Subsidiary authorizing the transactions contemplated by this Agreement; and

(f) An opinion of counsel to Seller and Seller Subsidiary in accordance with the Accord, reasonably satisfactory in substance, form and scope, as to matters referred to in Sections 4.1.1, 4.1.2, 4.1.3, 4.1.10 and 4.1.14.

6.6. Purchaser's Obligations. At the Closing, Purchaser will deliver to Seller and Seller Subsidiary, at the expense of Purchaser, the following:

(a) An amount equal to the Cash Closing Payment, in the manner specified in Section 3.1(a);

(b) The Assumption Agreement;

(c) The certificate of Purchaser required by Section 6.3.1;

(d) Certified copies of resolutions adopted by the Board of Directors of Purchaser authorizing the transactions contemplated by this Agreement; and

(e) An opinion of counsel to Purchaser in accordance with the Accord, reasonably satisfactory in substance, form and scope, as to matters referred to in Sections 4.2.1, 4.2.2, 4.2.3 and 4.2.4.

6.7. Passage of Title. Legal title with respect to the Acquired Assets will not pass to Purchaser until such Acquired Assets are Transferred at the Closing.

6.8. Termination. Notwithstanding any provision of this Agreement to the contrary, this Agreement may be terminated at any time prior to the Closing:

(a) By the mutual written consent of Purchaser and Seller;

(b) By either Purchaser or Seller by notice delivered to the other if the Closing shall not have occurred on or before November 30, 1993;

(c) By either Purchaser or Seller by notice delivered to the other if there has been any material breach of any covenant or representation and warranty contained in this Agreement on the part of, in the case of Purchaser, the Seller or the Seller Subsidiary or, in the case of Seller, the Purchaser; or

(d) By either Purchaser or Seller by notice delivered to the other if there shall have been entered a final, nonappealable order or injunction of any Governmental Entity restraining or prohibiting the consummation of the transactions contemplated by this Agreement or any material part hereof.

In the event of termination of this Agreement under this Section 6.8, (a) each party hereto will pay all of its own fees and expenses and (b) there will be no further liability or

obligation under this Agreement on the part of any party hereto, except under Section 5.1(b) and except for breaches or the nonfulfillment of the warranties, representations, covenants and agreements contained in this Agreement caused by the willful action or willful nonaction of a party hereto.

The parties hereto acknowledge that the rights of each party to consummate the transactions contemplated herein are unique and of an extraordinary character and that, in the event that any party violates or fails or refuses to perform or honor any material covenant or agreement made by it herein, the non-breaching party will be without an adequate remedy at law. The parties agree, therefore, that in the event either party violates or fails or refuses to perform any material covenant or agreement made by it herein, the non-breaching party or parties may, subject to the terms of this Agreement and in addition to any remedies at law for damages or other relief or other rights or remedies, institute and prosecute an action in any court of competent jurisdiction to enforce specific performance of such covenant or agreement or seek any injunction or other equitable relief and each party hereby waives the defense that the other party has an adequate remedy at law.

VII. POST-CLOSING COVENANTS

7.1. Employees and Benefit Plans. (a) Purchaser will, effective as of the Closing Date, offer to employ each Employee in a comparable position and at no less than such Employee's current salary or other rate of base pay as of

the Closing Date, except with the prior written consent of such Employee; provided, however, that Purchaser has no obligation hereunder to continue to employ any Employee after the Closing Date.

(b) Seller and Seller Subsidiary will retain all liabilities and obligations with respect to Employees and, except as provided in Section 7.1.(g), Former Employees under Employee Plans which are fully insured and benefits under such plans will be paid in accordance with their respective terms.

(c) Purchaser shall cover all Employees under Purchaser's employee benefit plans and fringe benefit arrangements, effective as of the Closing Date, with aggregate combined benefits for each Employee comparable to the aggregate combined benefits under employee benefit plans and fringe benefit arrangements currently provided by Seller. Purchaser shall give Employees credit for their period of employment with Seller, Seller Subsidiary or any predecessor in determining eligibility and vesting under employee benefit plans and in determining the amount of benefits under any applicable sick leave, vacation or severance plan. Purchaser shall cover Employees as of the Closing Date under a Group Health Plan and shall waive any preexisting condition limitations applicable to Employees or Former Employees under any Group Health Plan made available to Employees or Former Employees to the extent that an

Employee's or Former Employee's condition would not have operated as a preexisting condition limitation under Seller's applicable Group Health Plan, and Purchaser shall ensure that Employees and Former Employees are given full credit for all co-payments and deductibles incurred under Seller's Group Health Plan for the plan year.

(d) As soon as practicable, but in no event later than 15 days after the Closing Date, Seller shall make an initial transfer of cash from the Seller's Retirement Plan to Purchaser's Retirement Plan in which the Employees and Former Employees who are entitled to immediate or deferred vested benefits under the Seller's Retirement Plan shall commence participation after the Closing Date. The amount of the initial transfer with respect to Employees and Former Employees as of the Closing Date, shall equal the vested and nonvested projected benefit obligation with respect to Seller's Retirement Plan benefits (excluding benefits for Employees and Former Employees guaranteed under the Equitable Contract (the "Equitable Guaranteed Benefits")) calculated as of January 1, 1993 pursuant to Financial Accounting Standards Board Statement 87 attributable to such Employees and Former Employees using the actuarial assumptions employed in preparing Minnegasco's December 31, 1991 financial statements. The amount of the initial transfer so determined shall be increased with interest at an annual rate (based on 365 days) of 8.5% compounded

annually, and shall be decreased by benefit payments to Employees and Former Employees (except for payments of the Equitable Guaranteed Benefits), from the Closing Date to the date such pension assets are received by the trustee or trustees of Purchaser's Retirement Plan; provided, however, that the 8.5% interest factor will be applied to such initial transfer amount only after deducting one half of such benefit payments to Employees and Former Employees. As soon as practicable, but in no event later than six months after the Closing Date, Seller shall transfer an additional amount of cash from the Seller's Retirement Plan to Purchaser's Retirement Plan in which the Employees and Former Employees who are entitled to immediate or deferred vested benefits under the Seller's Retirement Plan shall commence participation after the Closing Date. Such additional amount to be transferred shall equal to (i) 14.5% of the excess of the market value of the assets (excluding the value of the entire Equitable Contract and any amounts to be paid to discontinue the Equitable Contract) of Seller's Retirement Plan over the total vested and nonvested projected benefit obligation with respect to Seller's Retirement Plan Benefits (excluding all benefits guaranteed under the Equitable Contract) calculated as of the Closing Date pursuant to Financial Accounting Standards Board Statement 87 using the actuarial assumptions employed in preparing Minnegasco's December 31, 1991 financial

statements, plus (ii) the difference between (A) the vested and nonvested projected benefit obligation with respect to Seller's Retirement Plan Benefits (excluding the Equitable Guaranteed Benefits) calculated as of the Closing Date pursuant to Financial Accounting Standards Board Statement 87 attributable to such Employees and Former Employees using the actuarial assumptions employed in preparing Minnegasco's December 31, 1991 financial statements and (B) the January 1, 1993 projected benefit obligation determined as part of the initial transfer. The amount so determined shall be increased with interest at an annual rate (based on 365 days) of 8.5% compounded annually, and shall be decreased by benefit payments to Employees and Former Employees (except for payments of the Equitable Guaranteed Benefits) from the date of the initial transfer to the date such additional transfer is received by the trustee or trustees of the Purchaser's Retirement Plan; provided, however, that the 8.5% interest factor will be applied to such additional transfer amount only after deducting one half of such benefit payments to Employees and Former Employees. No transfer of pension assets shall occur until Seller and Purchaser have received such assurances as are reasonable that the applicable provisions of the Code have been satisfied. Prior to any transfer of pension assets, Seller shall provide to Purchaser the calculations of the amount of the transfer. Purchaser shall take such action as may be

necessary, including plan amendments, to cause Purchaser's Retirement Plan in which an Employee or Former Employee participates (i) including the Equitable Guaranteed Benefits, to provide to such Former Employee after the transfer not less than the accrued benefit credited to such Former Employee under Seller's Retirement Plan as of the Closing Date, (ii) to provide to such Employee after the transfer benefits at retirement (including the Equitable Guaranteed Benefits) which, when considered with the maximum additional available benefits under Purchaser's 401(k) plan as compared to Seller's Savings Plan and with Purchaser's employee stock ownership plan, are not less than the benefits such Employee would have received under Seller's Retirement Plan (provided that to the extent necessary to meet this criteria Purchaser may provide additional benefits through non-qualified plans to highly compensated Employees), and (iii) to provide to such Employee and Former Employees all benefits required by law. The Seller's Retirement Plan shall be obligated to make all required benefit distributions to such Employees and Former Employees until the transfer of pension assets to the Purchaser's Retirement Plan is accomplished.

(e) As soon as reasonably practicable following the Closing Date, but in no event later than six months after the Closing Date, Seller shall cause the transfer of vested and nonvested account balances of Employees in cash from the trustee or trustees of Seller's Savings Plan to the

trustee or trustees of Purchaser's Thrift Plan; provided however, Seller will not transfer any portion of an Employee's account that is invested in Seller's common stock without the Employee's written election. An Employee who does not elect to transfer the portion of his account that is invested in Seller's common stock on the date of the initial transfer to Purchaser's Thrift Plan may elect to liquidate and transfer his remaining account balance in cash, as of the first day of any calendar quarter thereafter, but in no event later than two years after the Closing Date. Any portion of an Employee's account balance in Seller's Savings Plan that is not transferred to Purchaser's Thrift Plan within two years after the Closing Date will be distributed in accordance with the terms of Seller's Savings Plan. The assets transferred from Seller's Savings Plan to Purchaser's Thrift Plan will be equal to the account balances of such Employees (or the portion of the account transferred) as of the last day of the month preceding the date of transfer, reduced by the amount of any benefit payments made between that date and the date of transfer. No transfer of assets to Purchaser's Thrift Plan shall occur until Seller and Purchaser have received such assurances as are reasonable that the applicable provisions of the Code have been satisfied including, but not limited to, assurances as to the continued qualification of the

transferor and transferee plans under Section 401(a) of the Code.

(f) Seller shall give any notice required by Law and shall take whatever actions with respect to Seller's Retirement Plan and Seller's Savings Plan and any other employee benefit plan of Seller as may be necessary to carry out the arrangements provided for in this Section 7.1.

(g) Effective as of the Closing Date, Purchaser shall assume and be solely responsible for all liabilities and obligations of Seller or any Affiliate of Seller for retiree medical and life insurance benefits with respect to Employees and Former Employees under any Employee Plan listed or described on Schedule 4.1.12.

(h) No provision of this Section 7.1 will limit Purchaser's right to terminate, amend, modify or discontinue, at any time, any employee benefit plan or arrangements for the benefit of Purchaser's employees, including Employees employed by the Purchaser, or for the benefit of Former Employees, whether the foregoing are in existence on the date of this Agreement or hereafter established; provided, however, that no such termination, amendment, modification or discontinuance will relieve Purchaser of any severance or other employee benefit liabilities assumed under this Agreement. Neither Seller nor any Affiliate of Seller will be liable for any liability or obligation that may arise from the termination,

amendment, modification or discontinuance by Purchaser of any employee benefit plan established, continued or made available by Purchaser under this Section 7.1, and Purchaser assumes any such liability or obligation as of the Closing Date.

(i) Each of Seller and Purchaser will provide the other, in a timely manner, any information with respect to any Employee's employment with and compensation from Seller or Purchaser, as the case may be, or rights or benefits under any employee benefit plan which another party hereto may reasonably request.

(j) Seller will prepare and distribute Forms W-2 to Employees for compensation paid through the Closing Date, and Purchaser will prepare and distribute Forms W-2 to Employees for compensation paid for periods after the Closing Date.

(k) Notwithstanding any other term or provision hereof to the contrary, nothing in this Agreement shall require Purchaser to assume Seller's or Seller Subsidiary's obligations under any collective bargaining agreement between Seller or Seller Subsidiary and their respective Employees.

(l) Purchaser shall permit Employees to carry over up to three weeks of unused vacation that had been earned under Seller's policies as of the Closing Date and shall assume the liabilities or obligations of Seller and Seller

Subsidiary with respect to such vacation as of the Closing Date. Purchaser shall permit Employees to take such vacation within one year following the Closing Date, provided such vacation is scheduled in a manner consistent with Purchaser's vacation policy. On or before the Closing Date, Seller shall pay to Employees who have unused accrued vacation in an amount in excess of three weeks as of the Closing Date an amount equal to the value of such unused vacation in excess of three weeks.

(m) Notwithstanding any other provisions of this Section 7.1, with respect to Employees or Former Employees covered under any collective bargaining agreement, in the event such agreement is assumed by Purchaser, such agreement as modified shall control the compensation and benefits to be provided to such Employees or Former Employees

(n) Purchaser shall assume and be responsible for any liability or obligation of Seller or any Affiliate of Seller for severance benefits to any Employee under an Employee Plan listed or described on Schedule 4.1.12 as a result of the termination of employment of such Employee by Purchaser or any of its Affiliates after the Closing Date. Seller shall make no modification to such Employee Plan between the date of this Agreement and the Closing Date that would increase the liability of Seller for severance benefits.

(o) Purchaser shall provide to those Employees who are age 55 and over as of January 1, 1993 and who retire as an employee of Purchaser retiree health and life insurance benefits to the same extent employees of Purchaser's Peoples Natural Gas division retiring after January 1, 1993 receive retiree health and life insurance benefits.

(p) Effective as of the Closing Date, Purchaser will indemnify and hold harmless Seller from all liabilities or obligations arising from Purchaser not assuming the Union Agreement, dated January 1, 1992 between Minnegasco and Local No. 244, International Brotherhood of Electrical Workers.

7.2. Post-Closing Notifications. Purchaser and Seller will, and each will cause its Affiliates to, comply with any post-Closing notification or other requirements, to the extent then applicable to such party, of any antitrust, trade competition, investment or control, export or other Law of any Governmental Entity having jurisdiction over the Nebraska System or the Nebraska Pipeline.

7.3. Access. (a) On the Closing Date, or as soon thereafter as practicable and in no event later than 45 calendar days after the Closing Date, Seller and Seller Subsidiary will deliver or cause to be delivered to Purchaser all Records in the possession of Seller, Seller Subsidiary or both or any Affiliate of Seller, Seller Subsidiary or both to the extent not then located on the

Owned Real Property or in the possession of Purchaser, subject to the following exceptions:

(i) Purchaser recognizes that certain Records may contain only incidental information relating to the Nebraska System or the Nebraska Pipeline or may primarily relate to any or all of Seller, Seller Subsidiary or the Affiliates of Seller and Seller Subsidiary, or their respective businesses other than the operation of the Nebraska System and the Nebraska Pipeline and that Seller, Seller Subsidiary and their respective Affiliates may retain such Records and Seller and Seller Subsidiary may deliver appropriately excised copies of such Records; and

(ii) Seller, Seller Subsidiary or both and any Affiliate of Seller, Seller Subsidiary or both may retain any Tax Returns.

After the Closing, Purchaser will retain all Records (except those Records referred to in Section 7.3(a)(i)) required to be retained pursuant to obligations imposed by any applicable Law. Except as provided in the immediately preceding sentence, Purchaser will retain all Records delivered to it for a period of three years after the Closing Date.

(b) After the Closing, upon reasonable notice, each of Purchaser, Seller and Seller Subsidiary will give, or

cause to be given, to the representatives, employees, counsel and accountants of the other access, during normal business hours, to Records relating to periods prior to or including the Closing and will permit such persons to examine and copy such Records and will provide assistance relating to the Nebraska System and the Nebraska Pipeline to the extent reasonably requested by the other party in connection with Tax, Income Tax and financial reporting matters, audits, legal proceedings, governmental investigations and other business purposes; provided, however, that nothing herein will obligate any party to take actions that would unreasonably disrupt the normal course of its business, violate the terms of any agreement to which it is a party or to which it or any of its assets is subject or grant access to any of its proprietary, confidential or classified information. Seller, Seller Subsidiary and Purchaser will cooperate with each other in the conduct of any Tax or Income Tax audit or similar proceedings involving or otherwise relating to the Nebraska System or the Nebraska Pipeline or any of the Acquired Assets (or the income therefrom) with respect to any Tax or Income Tax and each will execute and deliver such powers of attorney and other documents as are necessary to carry out the intent of this Section 7.3(b).

(c) To the extent any Record is contained in a form which is inaccessible to Purchaser because of the

Excluded Assets, Seller will furnish the data contained in such Record to Purchaser in such form as Purchaser may reasonably request.

7.4. Certain Tax Matters. (a) All Transfer Taxes will be borne by Purchaser.

(b) Except as provided in Section 7.4(a), Seller shall indemnify and hold harmless Purchaser from and against all liabilities for Income Taxes and Taxes included in the Retained Liabilities.

(c) Purchaser shall indemnify and hold harmless Seller and Seller Subsidiary from and against all liabilities for (i) Transfer Taxes and (ii) Income Taxes and Taxes included in the Assumed Liabilities.

(d) The amount of Income Taxes indemnified hereunder and attributable to a portion of a taxable period that includes but does not end on the Closing Date shall be determined pursuant to the interim closing of the books method. The amount of Taxes indemnified hereunder and attributable to a portion of a taxable period shall be allocated between Purchaser and Seller on a pro rata basis over the number of days in the taxable period.

(e) Purchaser will prepare and deliver to Seller and Seller Subsidiary, to the extent reasonable and not otherwise available to Seller and Seller Subsidiary, federal and state Tax Return data gathering packages relating to the Acquired Assets to enable Seller and Seller Subsidiary to

prepare and file all Tax Returns for all periods that end on or before, or include, the Closing Date. Purchaser will deliver or cause to be delivered to Seller and Seller Subsidiary such packages within 30 calendar days of Purchaser's receipt of Seller's and Seller Subsidiary's request that such packages be completed.

(f) The purchase of the Acquired Assets by Purchaser is the result of bargaining between the Purchaser and Seller, and Purchaser and Seller believe the aggregate consideration paid for the Acquired Assets is their fair value. The aggregate consideration paid by Purchaser shall be allocated among the Acquired Assets in such manner as shall be agreed upon by Seller, Seller Subsidiary and Purchaser. Seller, Seller Subsidiary and Purchaser agree to cause such allocation to reflect any adjustments made or amounts paid pursuant to Section 3.1. Seller, Seller Subsidiary and Purchaser agree to file their respective federal, state, and local Tax Returns in accordance with such allocation, including, without limitation, for purposes of computing taxable gain and loss by Seller and Seller Subsidiary and computing tax depreciation and amortization by Purchaser, and in accordance with a completed sale having occurred on the Closing Date.

(g) Any claim for Taxes or Income Taxes that is indemnifiable pursuant to Section 7.4(b) or 7.4(c) shall not be subject to the provisions of Article VIII. All claims

Insurance; provided, however, that with respect to any claim made by Seller or Seller Subsidiary under any Insurance pursuant to this Section 7.5, Purchaser will indemnify and hold Seller and Seller Subsidiary and each Affiliate of Seller and Seller Subsidiary and their respective Affiliates, directors, officers, partners, employees, agents and representatives harmless against any claims, demands or suits (by any person or entity), losses, liabilities, costs and expenses relating to, resulting from or arising out of any deductible, policy limit, reinsurance due to the liquidation or insolvency of the reinsurer, self-insurance retention, retrospective premium resulting from claims made under this Section 7.5 or other like arrangement by which Seller or Seller Subsidiary or any Affiliate of Seller or Seller Subsidiary retains any liability under any such policy of Insurance or otherwise.

7.6. Seller and Seller Subsidiary Non-Compete. Seller agrees that it will not and will not permit or suffer any of its Affiliates to, at any time from the Closing Date through and including four years from the Closing Date, solicit or provide to any customers of the Nebraska System or Nebraska Pipeline in the State of Nebraska as such existed on the Closing Date (including, without limitation, municipalities, counties and residential, commercial or industrial customers), distribution of natural gas in the State of Nebraska including, without limitation, participation or assistance in any by-pass of the Nebraska System or the Nebraska Pipeline. Seller agrees that it will not and

for indemnification by a party under such Sections shall be asserted and resolved according to the procedure specified by Section 7.9.

7.5. Insurance. With respect to any loss, liability or damage assumed by Purchaser relating to, resulting from or arising out of the operation of the Nebraska System or the Nebraska Pipeline on or prior to the Closing Date for which Seller or Seller Subsidiary would be entitled to assert, or cause any other person or entity to assert, a claim for recovery under any policy of Insurance, at the request of Purchaser, Seller, Seller Subsidiary or both will use reasonable efforts to assert, or to assist Purchaser to assert, one or more claims under such Insurance covering such loss, liability or damage if Purchaser is not itself entitled to assert such claim but Seller, Seller Subsidiary or both is so entitled, provided that all of Seller's and Seller Subsidiary's and each Affiliate of Seller's and Seller Subsidiary's reasonable costs (which shall include amounts of overhead as determined by Seller in accordance with its usual and customary practice) and expenses incurred in connection with the foregoing, including, without limitation, any liability, obligation or expense referred to in the last sentence of this Section 7.5, are promptly reimbursed by Purchaser. Notwithstanding any provision of Section 3.2 to the contrary, Seller and Seller Subsidiary, as applicable, will be deemed, to have retained liability for such loss, liability or damage to the extent of the policy limits of the applicable policy of

will not permit or suffer any of its Affiliates to, at any time from the Closing Date through and including two years from the Closing Date, solicit or provide natural gas supply services to any customers of the Nebraska System or the Nebraska Pipeline in the State of Nebraska as such existed on the Closing Date, including, without limitation, municipalities, counties and residential, commercial or industrial customers for the sale or marketing of natural gas or natural gas services, except for capacity release programs pursuant to FERC Order No. 636 (this exception shall not be interpreted to permit sales of gas or pre-arranged transactions with customers of the Nebraska System or Nebraska Pipeline). Nothing in this Section 7.6 shall prohibit the activities of Seller expressly set forth in Section 7.7(c). In the event that the provisions of this Section 7.6 should ever be deemed to exceed the time, geographic or other limitations established by the Laws of the State of Nebraska, then such provisions shall be deemed to be reformed so as to provide for the maximum limitations with respect to Seller and any of its Affiliates provided by such Laws. In the event that Seller or any of its Affiliates violates or fails or refuses to perform or honor any covenant or agreement made by it pursuant to this Section 7.6, it is understood and agreed that money damages would not be a sufficient remedy therefor and that Purchaser shall be entitled to prosecute an action in any court of competent jurisdiction to enforce specific performance of such covenant or agreement or seek an injunction or other equitable remedy. Such

remedy shall not be deemed to be Purchaser's exclusive remedy but shall be in addition to all other remedies available at law or equity.

7.7. Gas Services Agreement. (a) At Closing, Purchaser and Seller will enter into a gas services agreement ("Gas Services Agreement") to be effective for the period from the Closing Date through March 31, 1993.

(b) With respect to system supply, the Gas Services Agreement will require Seller either: (i) to sell to Purchaser volumes of natural gas for the Nebraska System and the Nebraska Pipeline which (when considered together with the Pipeline Entitlements) are consistent with past practices; or (ii) to assign gas purchase and transportation contracts (or portions thereof) sufficient to provide supplies of natural gas to the Nebraska Pipeline and the Nebraska System at volume levels which (when considered together with the Pipeline Entitlements) are consistent with past practices. The price per MMBtu of natural gas delivered to Purchaser's customer under the Gas Services Agreement shall be equivalent to the delivered cost of such gas which Seller would have charged its Nebraska customers for purchased gas costs determined in accordance with past practices had it not sold the Nebraska Pipeline and the Nebraska System. To the extent necessary, Purchaser will appoint Seller as its agent in respect of the Pipeline Entitlements and any other gas supply contracts assigned

pursuant to the Gas Services Agreement. Seller will provide gas nominations and dispatching and related services under the Gas Services Agreement.

(c) The Gas Services Agreement will also provide that Seller will continue to act as agent pursuant to the contracts with customers set forth on Schedule 7.7; provided, that from and after the Closing Date until the expiration of such contracts, except as required by such contracts, neither Seller nor any Affiliate of Seller will contact such customers with respect to natural gas supply or natural gas services. Prior to Closing, Purchaser and Seller will agree to a mechanism to provide to Purchaser the net benefits of such contracts and the related contracts with gas suppliers.

(d) The Gas Services Agreement shall include such other related provisions as Purchaser and Seller may agree.

(e) Purchaser will pay Seller for services under the Gas Services Agreement at cost as determined pursuant to Section 7.8.

(f) Any costs approved by FERC pursuant to FERC Order No. 636 and billed by Northern Natural Gas Company, KN Energy, Inc. and Natural Gas Pipeline Company of America relating to pipeline gas supply, contract reformation or termination, upstream third-party transportation, or any other costs falling under the general category of pipeline transition costs attributable to the Nebraska System shall

be paid by Purchaser based upon the formula approved by the FERC. In the event such costs are billed to Seller in combination with similar costs attributable to any other of Seller's operations, Seller and Purchaser agree to determine an equitable method of assignment of the costs. Such method shall reflect as closely as possible the past practices used by Seller to allocate similar costs among its various operations prior to the sale of the Nebraska System and the Nebraska Pipeline.

7.8. Transition Services. Prior to the Closing, Seller and Purchaser shall enter into a transition services agreement ("Transition Services Agreement"), whereby Seller and Seller Subsidiary shall agree to provide to Purchaser for a period of up to six months after the Closing Date such services as Purchaser may request in connection with the transfer of operations to Purchaser, including, without limitation, data processing, billing and any other services (including, without limitation, access to Seller's report generating software for the period that a particular application system is processed on Seller's data processing equipment) reasonably necessary to continue current gas service. The term of the Transition Services Agreement shall be extended to the extent necessary to provide the services contemplated by Section 7.10(a). In addition, the Transition Services Agreement shall provide a mechanism for satisfaction of current obligations with respect to customer energy audits, but only to the extent Purchaser does not select the Energy Audit

Software pursuant to Section 7.10. Seller shall be compensated for such services by Purchaser at cost which shall include amounts of overhead as determined by Seller in accordance with its usual and customary practice, which shall include all direct allocated costs and indirect costs and capital costs on assets located outside of Nebraska to provide the services to Purchaser.

7.9. Post-Closing Payments. (a) For a period of six months after the Closing Date, a party receiving a payment in respect of any Account Receivable, Working Capital Asset or any refund, imbalance or credit relating to gas supply, Taxes or Income Taxes (including, without limitation, any amounts subject to indemnity under Section 7.4) to which another party is entitled shall (i) deliver to such other party on or prior to the 15th day of the following month a statement setting forth a description and the amount of such payment, (ii) if such payment is attributable to any of Seller's operations other than the Nebraska System or the Nebraska Pipeline, allocate such amounts based as closely as possible on the method used by Seller to allocate such amounts prior to the Closing Date and (iii) pay to such other party, without any right of offset against any liability or obligation other than those described in Section 7.9(b), the amount of such payment on or prior to the 25th day of such month.

(b) For a period of six months after the Closing Date, a party receiving a written request for payment in

respect of any Working Capital Liability or any liability relating to gas supply (including, without limitation, surcharges or imbalances), Taxes or Income Taxes (including, without limitation, any amounts subject to indemnity under Section 7.4) which another party is obligated to pay shall (i) deliver to such other party on or prior to the 15th day of the following month a statement setting forth a description and the amount of such payment, (ii) pay in accordance with such request the amount of such payment, (iii) if such payment is attributable to any of Seller's operations other than the Nebraska System or the Nebraska Pipeline, allocate such costs based as closely as possible on the method used by Seller to allocate such costs prior to the Closing Date and (iv) be reimbursed by such other party on or prior to the 25th day of such month for the amount of such payment allocable to the Nebraska System, the Nebraska Pipeline or both.

(c) From and after the date which is six months after the Closing Date, a party receiving a payment referred to in Section 7.9(a) or a request for payment referred to in Section 7.9(b) shall cooperate with the party entitled to receive or obligated to make such payment in order to achieve the results contemplated by Sections 7.9(a) or 7.9(b), as applicable.

7.10. Transition and License of Excluded Assets. (a) With respect to any Excluded Asset on Schedule 5.9 which

Purchaser selected pursuant to Section 5.9, Seller will make such Excluded Asset available to Purchaser (with Seller's cost to be reimbursed pursuant to the Transition Services Agreement) for (i) with respect to Materials Management System, Service Management and Records Tracking, Construction Tracking System and Collection Accounts Management System, the period from the Closing Date through June 30, 1993, (ii) with respect to all other items selected by Purchaser, the period from the Closing Date through January 31, 1994; provided, however, if the Closing Date has not occurred by February 28, 1993, Purchaser and Seller will negotiate in good faith for reasonable extensions of such periods.

(b) If Purchaser determines within the period set forth in Section 7.10(a) that it may need any of the Excluded Assets on Schedule 5.9 for the operation of the Nebraska System and the Nebraska Pipeline, Seller shall (i) cooperate with Purchaser to allow Purchaser to obtain an assignment, sublicense or separate license of any such Excluded Asset that is proprietary property or information of a third party with any cost or expense of procuring a license, sublicense or assignment of property or information of a third party being paid by Purchaser, (ii) provide a license reasonably satisfactory to Purchaser which shall include all components for the use and modification of the Excluded Asset being licensed of any Excluded Asset that is

proprietary to Seller including, without limitation, any modification to an Excluded Asset specified in (b)(i) above that exists as of the Effective Time. Any license granted by Seller hereunder shall be limited to Purchaser's Peoples Natural Gas Division and any non-utility subsidiaries controlled by such Division. In addition any license of Service Management and Records Tracking granted hereunder shall be limited to Seller's Peoples Natural Gas Division and any non-utility subsidiaries controlled by such Division for use solely in the states of Nebraska, Iowa, Kansas and Colorado, excluding the Denver, Colorado metropolitan area.

7.11. Seller's Tradenames and Operations Manuals.

Purchaser will use reasonable efforts to eliminate the use and display of Seller's trademarks, tradenames and servicemarks and return all Seller's operations manuals and those technical training program materials for those programs set forth on Schedule 7.11, as soon as practicable but in any event by December 31, 1993.

VIII. INDEMNIFICATION

8.1. Seller's Indemnity. Subject to the provisions of this Article VIII, from and after the Closing Date, Seller shall indemnify and hold Purchaser and its officers, directors, shareholders, agents, employees, representatives, successors and assigns harmless from and against any and all Damages incurred in litigation or otherwise and any investigation relating thereto,

by any of the above-named persons, directly or indirectly, resulting from or in connection with:

(a) Any misrepresentation, breach of warranty or failure to perform any covenant or agreement made or undertaken by Seller, Seller Subsidiary or both in this Agreement or in any agreement, certificate, schedule or exhibit delivered to Purchaser pursuant to this Agreement;

(b) The Retained Liabilities; and

(c) Any action, suit, proceeding or claim incident to any of the foregoing.

Seller shall have no obligation to indemnify Purchaser if a Claim Notice is not received within 90 days of the expiration of the periods set forth in Section 4.4.

8.2. Purchaser's Indemnity. Subject to the provisions of this Article VIII, from and after the Closing Date, Purchaser shall indemnify and hold Seller and its officers, directors, shareholders, agents, employees, representatives, successors and assigns harmless from and against any and all Damages incurred in litigation or otherwise and any investigation relating thereto, by any of the above-named persons, directly or indirectly, resulting from or in connection with:

(a) Any misrepresentation, breach of warranty or failure to perform any covenant or agreement made or undertaken by Purchaser in this Agreement or in any agreement, certificate, schedule or exhibit delivered to Seller pursuant to this Agreement;

(b) The Assumed Liabilities (other than those Assumed Liabilities set forth on Schedule 3.2(a)(viii)); and

(c) Any action, suit, proceeding or claim incident to any of the foregoing.

Purchaser shall have no obligation to indemnify Seller if a Claim Notice is not received within 90 days of the expiration of the periods set forth in Section 4.4.

8.3. Procedure. All claims for indemnification by a party under this Article VIII (the party claiming indemnification and the party against whom such claims are asserted being hereinafter called the "Indemnified Party" and the "Indemnifying Party," respectively) shall be asserted and resolved as follows:

(a) In the event that any claim or demand for which an Indemnifying Party would be liable to an Indemnified Party hereunder is asserted against or sought to be collected from such Indemnified Party by a third party, such Indemnified Party shall with reasonable promptness give notice (the "Claim Notice") to the Indemnifying Party of such claim or demand, specifying the nature of and specific basis for such claim or demand and the amount or the estimated amount thereof to the extent then feasible (which estimate shall not be conclusive of the final amount of such claim and demand). The Indemnifying Party shall not be obligated to indemnify the Indemnified Party under this Agreement with respect to any such claim or demand if the Indemnified Party fails to notify the Indemnifying Party

thereof in accordance with the provisions of this Agreement. The Indemnifying Party shall have ten days after the Claim Notice is delivered pursuant to the provisions of Section 9.1 from the delivery or mailing of the Claim Notice (the "Notice Period") to notify the Indemnified Party:

(i) whether or not it disputes the liability of the Indemnifying Party to the Indemnified Party hereunder with respect to such claim or demand; and

(ii) whether or not it desires, at the cost and expense of the Indemnifying Party, to defend the Indemnified Party against such claim or demand; provided, however, that any Indemnified Party is hereby authorized, but is not obligated, prior to and during the Notice Period, to file any motion, answer or other pleading that it shall deem necessary or appropriate to protect its interests or those of the Indemnifying Party.

(b) If the Indemnifying Party notifies the Indemnified Party within the Notice Period that it desires to defend the Indemnified Party against such claim or demand, the Indemnifying Party shall, subject to Section 8.3(a)(d), have the right to control the defense against the claim by all appropriate proceedings and any settlement negotiations, provided that to the satisfaction of the Indemnified Party, the Indemnifying Party shall secure the

Indemnified Party against such contested claims by posting a bond or otherwise. If the Indemnified Party desires to participate in, but not control, any such defense or settlement, it may do so at its sole cost and expense and shall not have the right to reimbursement of such cost and expense from the Indemnifying Party.

(c) If the Indemnifying Party fails to respond to the Indemnified Party within the Notice Period, elects not to defend the Indemnified Party, or after electing to defend fails to commence or reasonably pursue such defense, then the Indemnified Party shall have the right, but not the obligation, to undertake or continue the defense of and to compromise or settle (exercising reasonable business judgment), the claim or other matter all on behalf, for the account and at the risk of the Indemnifying Party.

(d) Notwithstanding the foregoing, (i) if the basis of the proceedings relates to a condition of operations which existed or were conducted both prior to and after the Closing Date or if either party would be otherwise adversely affected as a result of any adverse decision of such proceedings or (ii) if the rights to indemnity are contested or disputed hereunder, each party shall have the same right to participate at its own expense and at its own risk in the proceeding without either party having the right of control; provided, however, that if indemnity is being

contested or disputed hereunder the prevailing party may recover costs and expenses pursuant to Section 8.5.

(e) If requested by the Indemnifying Party, the Indemnified Party agrees, at the Indemnifying Party's expense and upon presentation of adequate security for the payment of such expenses, to cooperate with the Indemnifying Party and its counsel in contesting any claim or demand which the Indemnifying Party elects to contest, or, if appropriate and related to the claim in question, in making any counterclaim against the person asserting the third party claim or demand, or any cross-complaint against any person. No claim as to which indemnification is sought under this Agreement may be settled without the consent of the Indemnifying Party.

(f) If any Indemnified Party should have a claim against the Indemnifying Party hereunder which does not involve a claim or demand being asserted against or sought to be collected from it by a third party, the Indemnified Party shall send a Claim Notice with respect to such claim to the Indemnifying Party. If the Indemnifying Party disputes or contests its obligations to indemnify for such claim, the parties will attempt to amicably resolve the dispute. Failing resolution, such dispute shall be resolved by litigation in an appropriate court of competent jurisdiction.

8.4. Minimum Claim and Threshold Amount. An Indemnified Party shall be entitled to indemnification for Damages pursuant to this Article VIII only to the extent that the aggregate amount of actual Damages is in excess of \$200,000 (the "Threshold Amount"). In the event that such aggregate amount of Damages exceeds the Threshold Amount, the Indemnifying Party shall be liable for all Damages from the first dollar. An event described in Section 8.1 or 8.2 that would otherwise give rise to a claim for Damages by Purchaser or Seller, as the case may be, shall not be deemed to have occurred (and thus not recoverable under this Article VIII) unless the actual Damages of Purchaser or Seller, as the case may be, resulting from the single misrepresentation or breach of warranty, covenant or agreement that constitutes such event exceed \$25,000; provided that for the purposes of this sentence, all claims for Damages by Purchaser or Seller, as the case may be, arising out of the same events causing any such breach shall be treated as a single claim. To the extent that an Indemnifying Party assumes the defense of a claim and the actual Damages are equal or less than \$25,000, the Indemnified Party shall promptly reimburse such Damages. To the extent that an Indemnifying Party assumes the defense of a claim, the actual Damages are in excess of \$25,000 and the Threshold Amount has not been exceeded, the Indemnified Party shall promptly reimburse such Damages. Once the Threshold Amount has been exceeded as to an Indemnified Party, the Indemnifying Party shall reimburse any

amounts for actual damages for claims indemnified hereunder previously paid or incurred by the Indemnified Party.

8.5. Costs. If any legal action or other proceeding is brought for the enforcement or interpretation of any of the rights or provisions of this Agreement (including the indemnification and noncompetition provisions), or because of an alleged dispute, breach, default or misrepresentation in connection with any of the provisions of this Agreement, the successful or prevailing party shall be entitled to recover reasonable attorneys' fees and all other costs and expenses incurred in that action or proceeding, in addition to any other relief to which it may be entitled.

8.6. Exclusions. The provisions of this Article VIII shall not apply to Sections 7.4 and 7.9.

IX. MISCELLANEOUS PROVISIONS

9.1. Notices. All notices and other communications required or permitted under this Agreement will be in writing and, unless otherwise provided in this Agreement, will be deemed to have been duly given when delivered in person or when dispatched by telegram or electronic facsimile transfer (confirmed in writing by mail simultaneously dispatched) or one business day after having been dispatched by a nationally recognized overnight courier service to the appropriate party at the address specified below:

- (a) If to Purchaser, to:

UtiliCorp United Inc.
911 Main Street
Kansas City, Missouri 64105
Facsimile No.: (816) 691-3590
Attention: Robert L. Howell
Vice President -
Corporate Development

and

Peoples Natural Gas Company
1815 Capitol Avenue
Omaha, Nebraska 68102
Facsimile No.: (402) 221-2289
Attention: Vern J. Siemek
Project Development Manager

with a copy to:

Blackwell Sanders Matheny Weary & Lombardi
2300 Main Street, Suite 1100
Kansas City, Missouri 64108
Facsimile No.: (816) 274-6914
Attention: Ralph G. Wrobley, Esq.

- (b) If to Seller or Seller Subsidiary, to:

Arkla, Inc.
1600 Smith Street
Houston, Texas 77002
Facsimile No.: (713) 654-5897
Attention: Hubert Gentry, Jr., Esq.

and

Minnegasco
201 South Seventh Street
Minneapolis, Minnesota 55402
Facsimile No.: (612) 342-4699
Attention: General Counsel, Legal Division

with a copy to:

Jones, Day, Reavis & Pogue
2300 Trammell Crow Center
2001 Ross Avenue
Dallas, Texas 75201
Facsimile No.: (214) 969-5100
Attention: Dulcie D. Brand, Esq.

or to such other address or addresses as any such party may from time to time designate as to itself by like notice.

9.2. Expenses. Except as otherwise expressly provided in this Agreement, (a) Seller and Seller Subsidiary will pay any expenses incurred by either of them incident to this Agreement and in preparing to consummate and consummating the transactions provided for herein and (b) Purchaser will pay any expenses incurred by it incident to this Agreement and in preparing to consummate and consummating the transactions provided for herein.

9.3. Successors and Assigns. This Agreement will be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns, but will not be assignable or delegatable by any party hereto without the prior written consent of the other party; provided, however, that nothing in this Agreement is intended to (a) prevent Purchaser from assigning its rights hereunder to purchase the Nebraska Pipeline to a wholly owned subsidiary of Purchaser provided that any such transfer will not result in a termination of any of Purchaser's agreements or covenants under this Agreement or result in additional delays in the consummation of the transactions contemplated hereby, or (b) limit Purchaser's ability to Transfer any of the Acquired Assets following the Closing Date.

9.4. Waiver. Each of Purchaser and Seller by written notice to the other may (a) extend the time for performance of any of the obligations or other actions of the other under this

Agreement, (b) waive any inaccuracies in the representations or warranties of the other contained in this Agreement or in any Closing Document, (c) waive compliance with any of the conditions or covenants of the other contained in this Agreement or (d) waive or modify performance of any of the obligations of the other under this Agreement; provided, however, that no such party may, without the prior written consent of such other party, make or grant such extension of time, waiver of inaccuracies or compliance or waiver or modification of performance with respect to its (or any of its Affiliates') representations, warranties, conditions or covenants under this Agreement. Except as provided in the immediately preceding sentence, no action taken pursuant to this Agreement will be deemed to constitute a waiver of compliance with any representations, warranties or covenants contained in this Agreement and will not operate or be construed as a waiver of any subsequent breach, whether of a similar or dissimilar nature.

9.5. Entire Agreement. This Agreement (including the Schedules) supersedes any other agreement, whether written or oral, that may have been made or entered into by any party hereto or any of their respective Affiliates (or by any director, officer or representative thereof) relating to the matters contemplated hereby, other than the Confidentiality Agreement, which will survive the execution, delivery or termination of this Agreement. This Agreement (including the Schedules) constitutes the entire agreement by and among the parties hereto and there

are no agreements or commitments by or among the parties hereto or their Affiliates with respect to the transactions contemplated hereby, except as expressly set forth or provided for herein.

9.6. Amendments, Supplements, Etc. This Agreement may be amended or supplemented at any time by additional written agreements as may mutually be determined by Purchaser, Seller and Seller Subsidiary to be necessary, desirable or expedient to further the purposes of this Agreement, or to clarify the intention of the parties hereto.

9.7. Rights of the Parties. Except as provided in Section 9.3, nothing expressed or implied in this Agreement is intended or will be construed to confer upon or give any person or entity other than the parties hereto and their respective Affiliates any rights or remedies under or by reason of this Agreement or any transaction contemplated hereby.

9.8. Further Assurances. From time to time after the Closing, as and when requested by either party hereto, the other party will promptly execute and deliver, or cause to be executed and delivered, all such documents and instruments as may be reasonably necessary to consummate the transactions contemplated by this Agreement including, without limitation, all necessary efforts to obtain final orders for Purchaser to operate under the Federal Communication Commission licenses transferred to Purchaser hereunder.

9.9. Transfers. Purchaser, Seller and Seller Subsidiary will cooperate and take such action as may be reasonably

requested by the other in order to effect an orderly transfer of the Acquired Assets with reasonable efforts to avoid disruption to the operations and employees of the Nebraska System, the Nebraska Pipeline and the businesses of Seller and Seller Subsidiary.

9.10. Applicable Law. This Agreement and the legal relations among the parties hereto will be governed by and construed in accordance with the substantive Laws of the State of Missouri, without giving effect to the principles of conflict of laws thereof.

9.11. Execution in Counterparts. This Agreement may be executed in two or more counterparts, each of which will be deemed an original, but all of which together will constitute one and the same agreement.

9.12. Certain Interpretive Matters. (a) Titles and headings to Sections herein are inserted for convenience of reference only and are not intended to be a part of or to affect the meaning or interpretation of this Agreement.

(b) No provision of this Agreement will be interpreted in favor of, or against, any of the parties hereto by reason of the extent to which any such party or its counsel participated in the drafting thereof or by reason of the extent to which any such provision is inconsistent with any prior draft hereof or thereof.

(c) The inclusion of any matter on any Schedule will not be deemed an admission by Seller or Seller

Subsidiary that such listed matter has or would have a
Material Adverse Effect.

IN WITNESS WHEREOF, the parties hereto have executed this
Agreement as of the date set forth in the introductory paragraph
hereof.

SELLER:

ARKLA, INC.

By: 

Gary N. Petersen, President
Minnegasco, a Division of
Arkla, Inc.

SELLER SUBSIDIARY:

MINNEGASCO TRANSMISSION CORPORATION

By: 

Gary N. Petersen, Chairman

PURCHASER:

UTILICORP UNITED INC.

By: _____

Robert L. Howell
Vice President-
Corporate Development

Subsidiary that such listed matter has or would have a
Material Adverse Effect.

IN WITNESS WHEREOF, the parties hereto have executed this
Agreement as of the date set forth in the introductory paragraph
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SELLER:

ARKLA, INC.

By: Gary N. Petersen, President
Minnegasco, a Division of
Arkla, Inc.

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MINNEGASCO TRANSMISSION CORPORATION

By: Gary N. Petersen, Chairman

PURCHASER:

UTILICORP UNITED INC.

By: Robert L. Howell
Vice President-
Corporate Development

SCHEDULES
TO
ACQUISITION AGREEMENT

Schedule 3.2(a) (viii)

ASSUMED ENVIRONMENTAL LIABILITIES

1. All liabilities or obligations in respect of claims, actions, suits, proceedings and investigations instituted under Environmental Laws or based upon the presence or release of Hazardous Substances, relating to or arising out of, directly or indirectly, the operation, ownership or use of the Manufactured Gas Plants located at any of the following locations, prior to the Effective Time:
 - a. 201 South 1st Street, Beatrice, Nebraska;
 - b. 1061 Grant Street, Blair, Nebraska;
 - c. 1169 22nd Avenue, Columbus, Nebraska;
 - d. 701 Norfolk Avenue, Norfolk, Nebraska; or
 - e. 201 Livingston Highway, Plattsmouth, Nebraska
2. All liabilities or obligations in respect of claims, actions, suits, proceedings and investigations instituted under Environmental Laws or based upon the presence or release of Hazardous Substances, relating to or arising out of, directly or indirectly, the operation, ownership or use of the underground storage tank located at 7645 O Street, Lincoln, Nebraska, prior to the Effective Time

Schedule 4.1.4

VIOLATIONS OF LAW

1. Seller is potentially in violation of applicable Environmental Laws in respect of the Manufactured Gas Plants located at the following locations:
 - a. 201 South 1st Street, Beatrice, Nebraska;
 - b. 1061 Grant Street, Blair, Nebraska;
 - c. 1169 22nd Avenue, Columbus, Nebraska;
 - d. 701 Norfolk Avenue, Norfolk, Nebraska; and
 - e. 201 Livingston Highway, Plattsmouth, Nebraska.
2. Seller is potentially in violation of applicable Environmental Laws in respect of the underground storage tank located at 7645 O Street, Lincoln, Nebraska.
3. Seller is potentially in violation of applicable Environmental Laws in respect of the underground storage tanks previously located at the following locations:
 - a. 7645 O Street, Lincoln, Nebraska;
 - b. 1600 Windhoek Drive, Lincoln, Nebraska; and
 - c. 906 South 26th Street, Lincoln, Nebraska.

CERTAIN ENVIRONMENTAL MATTERS

A. Environmental Written Requests Since January 1, 1991.

1. Letter from Lincoln-Lancaster County Health Department, dated October 15, 1992, requesting submission of 1993 Lincoln-Lancaster County Special Waste Inventory/Permit Application relating to Minnegasco's Nebraska operations center located at 1600 Windhoek Drive, Lincoln, Nebraska
2. Letter from Nebraska Department of Environmental Control, dated December 31, 1991, requesting submission of Nebraska Tier Two Emergency and Hazardous Chemical Inventory forms as required by Section 312 of the Superfund Amendments and Reauthorization Act
3. Letter from Lincoln-Lancaster County Health Department, dated December 23, 1991, acknowledging receipt of 1992 Lincoln-Lancaster County Special Waste Inventory/Permit Application relating to Minnegasco's Nebraska operations center located at 1600 Windhoek Drive, Lincoln, Nebraska and requesting further information
4. Letter from Nebraska State Fire Marshal, dated August 1, 1991, requesting information regarding external corrosion control monitoring pursuant to 49 C.F.R. Section 192.465(e)
5. Letter from Nebraska Department of Environmental Control, dated February 12, 1991, requesting submission of an application for a Nebraska Pollutant Discharge Elimination System General Permit for certain excavation dewatering/hydrostatic testing
6. Letter from Ecology and Environment, Inc., as contractor for the U.S. Environmental Protection Agency, dated January 2, 1991, requesting information relating to the Manufactured Gas Plant previously located at Columbus, Nebraska

B. Storage Tanks.

1. Existing Tanks.

One underground storage tank exists at 7645 O Street, Lincoln, Nebraska. This tank is a 20,000 gallon double-walled fiberglass diesel fuel tank with a monitoring device and was installed in September or October 1991.

Schedule 4.1.17
(continued)

2. Previously Existing Tanks.

- a. Two underground storage tanks previously existed at 7645 O Street, Lincoln, Nebraska. Each of these tanks was a 20,000 gallon steel diesel fuel tank and was removed in September 1991.
- b. One underground storage tank previously existed at 1600 Windhoek Drive, Lincoln, Nebraska. This tank was a 560 gallon waste water/oil tank and was removed in August 1992.
- c. Four underground storage tanks previously existed at 906 South 26th Street, Lincoln, Nebraska. The first of these tanks was a 1,000 gallon waste oil tank and was removed in 1986. The second of these tanks was a 1,000 gallon gasoline tank and was removed in 1986. The third of these tanks was a 10,000 gallon steel gasoline tank and was removed in 1988. The fourth of these tanks was a 4,000 gallon steel gasoline tank and was removed in 1988.

C. Manufactured Gas Plants.

A Manufactured Gas Plant exists at each of the following locations:

1. 201 South 1st Street, Beatrice, Nebraska;
2. 1061 Grant Street, Blair, Nebraska;
3. 1169 22nd Avenue, Columbus, Nebraska;
4. 701 Norfolk Avenue, Norfolk, Nebraska; and
5. 201 Livingston Highway, Plattsmouth, Nebraska.

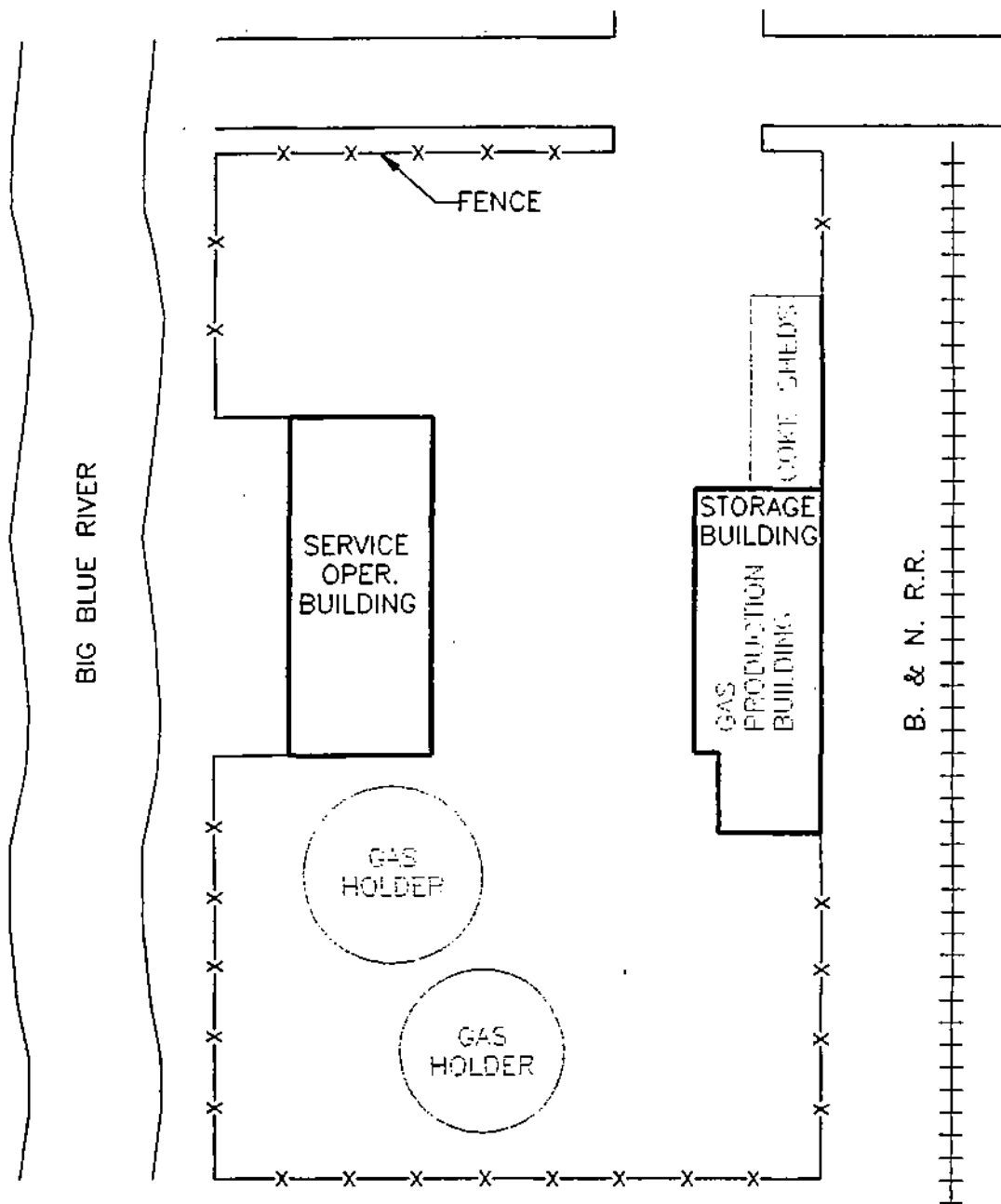


NOT TO SCALE

LEGEND

- EXISTING STRUCTURE
— FOUNDATION OR FORMER STRUCTURE

4.



NOTES:

1. SEE SITE LOCATION MAP, FIGURE 1, FOR GENERAL LOCATION OF FACILITY.
2. SOURCE: MINNEGASCO; PRELIMINARY ASSESSMENT

HDR

HDR Engineering, Inc.

**Beatrice, NE Facility
Site Map**

Minnegasco

Investigation and Remediation of
Nebraska Gas Plant Sites
Beatrice, Nebraska

Date
Jan. 1992

Figure
2